

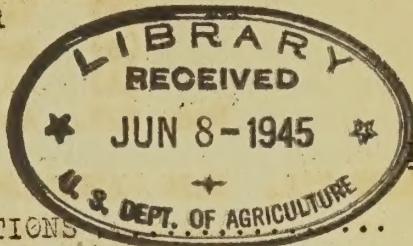
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Reserve

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
Washington, D. C.

REGULATIONS PERTAINING TO COTTON MARKETING QUOTAS FOR  
THE 1942-43 MARKETING YEAR

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United States Department of Agriculture,  
Office of the Secretary.

By virtue of the authority vested in the Secretary of Agriculture by Title III of the Agricultural Adjustment Act of 1938 (Public Law No. 430, 75th Congress, approved February 16, 1938; 52 Stat. 31, 7 U. S. C. 1301 *et seq.*), as amended, public notice is hereby given of the following regulations governing cotton marketing quotas for the 1942-1943 marketing year, which regulations shall be in force and effect until rescinded or suspended, or amended or superseded by regulations hereafter made under said act. 1/

PART I. MISCELLANEOUS PROVISIONS AND DEFINITIONS

Section 101. Issuance of forms and instructions and definitions. (a) Issuance of forms and instructions. The Administrator of the Agricultural Adjustment Administration shall cause to be prepared and issued with his approval such instructions and such forms as may be required to carry out these regulations. Copies of such forms and necessary instructions shall be furnished free to persons needing them upon request made to the office of the appropriate county committee or the Administrator of the Agricultural Adjustment Administration.

(b) Definitions. As used in these regulations and in all forms and documents in connection therewith, unless the context or subject matter otherwise requires, the following terms shall have the following meanings and the masculine shall include the feminine and neuter genders and the singular shall include the plural number:

(1) Act. The Agricultural Adjustment Act of 1938 and any amendments thereto heretofore or hereafter made.

(2) Secretary of Agriculture. The Secretary or Acting Secretary of Agriculture of the United States.

(3) Administrator. The Administrator or Acting Administrator of the Agricultural Adjustment Administration of the United States Department of Agriculture.

(4) Regional Director. The director or acting director of the division of the Agricultural Adjustment Administration in charge of the administration of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act (49 Stat. 1148), as amended (hereinafter referred to as the Soil Conservation and Domestic Allotment Act), in the region.

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1/ Unless otherwise indicated, all references in the text to sections relate to these regulations. All section references at the end of paragraphs are to sections of the Agricultural Adjustment Act of 1938, as amended (Public Law No. 430, 75th Congress, approved February 16, 1938; 52 Stat. 31, 7 U. S. C. 1301 *et seq.*)

(5) Southern Region. The area included in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas.

(6) East Central Region. The area included in the States of Delaware, Kentucky, Maryland, North Carolina, Tennessee, Virginia, and West Virginia.

(7) Western Region. The area included in the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming.

(8) North Central Region. The area included in the States of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

(9) State committee. The group of persons designated within any State to assist in the administration of the Soil Conservation and Domestic Allotment Act.

(10) Committee. A committee, within and for a county or community, utilized under the Soil Conservation and Domestic Allotment Act, "County committee", "community committee", or "local committee" shall have corresponding meanings in the connection in which they are used.

(11) Review committee. The review committee appointed by the Secretary of Agriculture as provided in section 363 of the act.

(12) Person. An individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or State or agency thereof. The term "person" shall include two or more persons having a joint or common interest.

(13) Owner or landlord. A person who owns farm land and rents such land to another person or who operates such land.

(14) Cash tenant, standing-rent tenant, fixed-rent tenant. A person who rents land from another for a fixed amount of cash or a commodity to be paid as rent.

(15) Share tenant. A person other than a sharecropper who rents land from another person and pays as rent a share of the crops or the proceeds thereof.

(16) Sharecropper. A person who works a farm in whole or in part under the general supervision of the operator and is entitled to receive for his labor a share of the crops produced thereon or the proceeds thereof.

(17) Operator. A person who as a landlord or cash tenant or standing or fixed-rent tenant is operating a farm or who as a share tenant is operating a whole farm.

(18) Producer or farmer. A person who is entitled to a proportionate share of the cotton crop, or the proceeds thereof, produced on the farm in 1942, as owner, landlord, cash tenant, standing-rent tenant, fixed-rent tenant, share tenant, or share-cropper. The term "producer" or "farmer" also includes a wage hand (or cropper) who as a laborer on a farm instead of receiving daily or other cash wages for his labor receives either all the cotton produced by him or another on an agreed or specified acreage or all the cotton produced on an agreed or specified portion of the acreage cultivated by him or another.

(19) Buyer. A person who buys cotton from a producer.

(20) Transferee. A person who receives cotton from a producer by barter or exchange or gift inter vivos.

(21) Ginner. A person who gins cotton.

(22) Treasurer of the county committee. The treasurer of the county agricultural conservation association or the treasurer of the county committee, as the case may be.

(23) Farm. All adjacent or nearby farm or range land under the same ownership which is operated by one person, including also:

(i) Any other adjacent or nearby farm or range land which the county committee, in accordance with instructions issued by the Agricultural Adjustment Administration, determines is operated by the same person as part of the same unit in producing range livestock or with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other lands; and

(ii) Any field-rented (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the county or administrative area, as the case may be, in which the principal dwelling is situated, or if there is no dwelling thereon it shall be regarded as located in the county or administrative area, as the case may be, in which the major portion of the farm is located.

(24) Farm marketing quota. A cotton marketing quota established for a farm under section 346 (a) of the act.

(25) Producer marketing quota. A producer's share of a farm marketing quota.

(26) Farm acreage allotment. A cotton acreage allotment established for a farm under Sec. 204 or 205.

(27) Normal yield. The number of pounds of lint cotton established as the normal yield per acre for the farm in accordance with Sec. 206.

(28) Actual production. The actual average yield per acre of lint cotton for the farm for 1942 times any number of acres.

(29) Normal production. The normal yield per acre of lint cotton for the farm times any number of acres.

(30) Cotton. Any cotton other than long staple cotton.

(31) Long staple cotton. Cotton the staple of which is 1-1/2 inches or more in length.

(32) Lint cotton. The fiber taken from seed cotton by ginning.

(33) Seed cotton. The harvested fruit of the cotton plant before it is ginned.

(34) Ginning. Separating lint cotton from the seed.

(35) Market. To dispose of cotton in raw or processed form by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos.

(i) The term "sale" means any transfer of title to cotton by a producer to another by any means other than barter or exchange or gift inter vivos.

(ii) The terms "barter" and "exchange" mean transfer of title to cotton by a producer to another in return for cotton or any other commodity, service, or property in cases where the value of the cotton or such other commodity, service, or property is not considered in terms of money, or the transfer of title to cotton by a producer to another in payment of a fixed rental or other charge for land.

(iii) The term "gift inter vivos" means any transfer of title, accompanied by delivery, to cotton by a producer to another which takes effect immediately and irrevocably and is made without any consideration or compensation therefor.

(iv) "Marketed", "marketing", and "for market" shall have corresponding meanings to the term "market" in the con-

nnection in which they are used.

(36) Marketing year. The period beginning on August 1, 1942 and ending with July 31, 1943, both dates inclusive.

(37) Penalty. The penalty provided in section 348 of the act.

(38) State and county code number. The applicable number assigned by the Agricultural Adjustment Administration to each county for the purpose of identification.

(39) Serial number of the farm or farm serial number. The serial number assigned to a farm.

any (40) Gin bale number or mark. The number on the bale tag or/other mark made or used by the ginner to identify a bale of cotton.

(41) Underplanted farm. A farm on which the acreage planted to cotton in 1942 is not in excess of the farm acreage allotment established therefor.

(42) Overplanted farm. A farm on which the acreage planted to cotton in 1942 is in excess of the farm acreage allotment established therefor.

(43) Carryover penalty cotton. The amount of unmarketed cotton from any previous crop which the producer thereof has on hand which, if marketed during the 1941-1942 marketing year, would have been subject to the penalty.

(44) Carryover penalty free cotton. The amount of unmarketed cotton from any previous crop which the producer thereof has on hand which, if marketed during the 1941-1942 marketing year, would not have been subject to the penalty. [Sec. 375, 52 Stat. 66.]

#### ALLOTMENTS AND YIELDS

Sec. 201. National baleage allotment. The national allotment of cotton for the calendar year beginning January 1, 1942, is 10,000,000 standard bales of 500 pounds gross weight, increased by that number of standard bales of 500 pounds gross weight equal to the production in 1942 of that number of acres required to be allotted for 1942 as set forth in Sec. 202 (c), relating to minimum State acreage allotments, and in Sec. 203 (a), relating to minimum county acreage allotments. The production in 1942 of the acreage allotment referred to in Sec. 202 (e), relating to a special fund of acreage allotments consisting of four percent of the State acreage allotment, and in Sec. 202 (f), relating to minimum farm acreage allotments, shall be in addition to such national allotment. [Sec. 343 (a), (b), and (c), 52 Stat. 56, as amended by 53 Stat. 1125.]

Sec. 202. State baleage allotments and State acreage allotments. (a) State baleage allotment. Ten million standard bales of the national baleage allotment of cotton for the calendar year 1942 shall be apportioned among the several States on the basis of the average of the normal production of cotton in each State for the five years 1936 to 1940. The normal production of a State for each such year shall be (1) the quantity of cotton produced therein in such year plus (2) the normal production of the acres diverted from the production of cotton in all counties in the State under the agricultural adjustment or conservation program in such year. The normal production of the acres diverted from the production of cotton in any county in any year shall be the average yield per acre of the acres planted to cotton in such county in such year times the number of acres so diverted in such county in such year. [Sec. 344 (a), 52 Stat. 57.]

(b) State acreage allotment. A State acreage allotment shall be established for each State to which an allotment is made under paragraph (a). The State acreage allotment shall be that number of acres equal to the result obtained by dividing the number of standard bales allotted to the State under paragraph (a) by the average yield per acre for the State expressed in standard bales. The average yield per acre for any State shall be determined on the basis of the average of the normal production for the State for the five years 1936 to 1940 and the average, for the same period, of the acres diverted from the production of cotton in the State under the agricultural adjustment or conservation programs and the acres planted to cotton. [Sec. 344 (b), 52 Stat. 57.]

(c) Minimum State acreage allotment. Notwithstanding the foregoing provisions of this section, the State acreage allotment for any State which is less than 5,000 acres shall be increased to 5,000 acres if at least 3,500 bales of cotton were produced in such State in any of the five years 1937 to 1941. [Sec. 344 (e) (2), 52 Stat. 58.]

(d) State acreage reserve for new farms. An acreage not greater than one percent of the State acreage allotment shall be made available for apportionment to farms in the State on which cotton was not planted in any one of the three years 1939, 1940, and 1941. [Sec. 344 (c) (2), 52 Stat. 57.]

(e) Special State acreage allotment of four percent of State acreage allotment. In addition to the State acreage allotment, a special State acreage allotment (hereinafter referred to as the "four-percent State reserve") equal to four percent of the State acreage allotment shall be established for each State for apportionment as set forth in Sec. 204 (a), (b), (d), (e), and (f). [Sec. 344 (g), 52 Stat. 203.]

(f) Increases to provide for minimum farm acreage allotments. There shall be available in each State for allotment to farms that number of acres equal to the total amount by which farm acreage allotments in the State are increased as set forth in Sec. 204 (h), relating to certain minimum and maximum farm acreage allotments. This increase shall be in addition to the State acreage allotment and the four-percent State reserve. [Sec. 344 (h), 52 Stat. 57, 203, and 586, and 53 Stat. 512, 853.]

Sec. 203. County acreage allotments. (a) Regular county acreage allotments. The State acreage allotment (less that part set aside under Sec. 202 (d) for apportionment to new farms) shall be apportioned among the counties in the State on the basis of the sum of (1) the acreage therein planted to cotton during the five years 1936 to 1940 and (2), in the applicable years, the acreage therein diverted from the production of cotton under agricultural adjustment and conservation programs, with adjustments for abnormal weather conditions and trends in acreage during such five-year period. The acreage allotment for each county to which an allotment is so apportioned shall be increased by the number of acres, if any, required to provide an acreage allotment for each such county of not less than 60 percent of the sum of (1) the acreage therein planted to cotton in 1937 and (2) the acreage therein diverted from the production of cotton in 1937 under the agricultural conservation program. [Sec. 344 (c) (1), Sec. 344 (e) (1), 52 Stat. 57 and 58.]

(b) Administrative areas. If in any county there are one or more areas which, because of difference in types, kinds, and productivity of the soil or other conditions, should be treated separately in order to prevent discrimination, each such area shall, in accordance with applicable instructions, be designated by the county committee as an administrative area, and the county acreage allotment shall be apportioned among such areas (1) on the basis of the acreage in each such area planted to cotton in 1937 plus the acreage therein diverted from the production of cotton in 1937 under the agricultural conservation program or (2), if conditions affecting the acreage planted to cotton were not reasonably uniform throughout the county in 1937, on the basis of the cotton base acreage in each such area which was or could have been established in 1937 under the agricultural conservation program. [Sec. 344 (f), 52 Stat. 57, 203, 586.]

Sec. 204. Apportionment of acreage allotments among established farms. (a) Acreage available for allotment. The county committee, with the assistance of other local committees established in the county, shall apportion, in the manner set forth in this section, acreage allotments among all farms in the county on which cotton was planted in any one of the three years 1939 to 1941. The acreage allotments to be apportioned among such farms shall consist of (1) the regular county acreage allot-

ment, consisting of an apportionment of the State acreage allotment made to the county, with such increase in the county acreage allotment as is necessary to provide for the county a minimum acreage allotment of not less than 60 percent of the planted plus diverted cotton acreage in the county in 1937, plus any acreage apportioned to the county from the four-percent State reserve in supplementing county allotments which are determined, in accordance with applicable instructions, to be inadequate and unrepresentative, and (2) a distributive part, applicable to the county, of the four-percent State reserve. This distributive part shall be the sum of the acreage allotted to farms in the county, insofar as the amount of the four-percent State reserve will permit, under the following conditions in the order listed: (a) in supplying any deficiency in the regular county acreage allotment for the making of initial acreage allotments not exceeding five acres for each such farm; (b) in supplementing any acreage allotment made to any farm out of the regular county acreage allotment which, in consequence of the making of such initial acreage allotments, is inadequate and unrepresentative, and (c) in supplementing any acreage allotment made to any farm under this section which the county committee determines, in accordance with applicable instructions, is inadequate and unrepresentative. The committee shall not establish any farm acreage allotment which is not covered by the allotments mentioned above, except that after but not before the apportionment among farms of all the allotments mentioned above in this paragraph an additional farm acreage allotment shall be made, as set forth in paragraph (h), to any farm in respect to which the acreage allotment otherwise made is less than the minimum acreage allotment set forth in paragraph (h). The term "planted plus diverted cotton acreage", as used in this section, shall be taken to mean the sum of the acreage planted in cotton and the acreage diverted from cotton production under agricultural adjustment or conservation programs. [Sec. 344 (d), (e), (f), (g), (h) 52 Stat. 58, 203, and 586.]

(b) Initial farm acreage allotments. The regular county acreage allotment shall be first apportioned among farms on which cotton was planted in any one of the three years 1939 to 1941, and in making such apportionment there shall be first established for each such farm an initial acreage allotment equal to the highest planted plus diverted cotton acreage on the farm in any one of the three years 1939 to 1941, provided that no initial allotment shall exceed five acres for any such farm. These allotments shall be known as initial allotments and are referred to accordingly in this section. Any deficiency in the amount of the regular county acreage allotment for the making of such initial allotments shall be supplied by the use of the four-percent State reserve insofar as such reserve will permit for the county. [Sec. 344 (d) (1), Sec. 344 (g) (1), 52 Stat. 58 and 203.]

(c) Reserve for small farms. In the event that the regular county acreage allotment is more than sufficient to make the initial allotments, there shall be set aside for increase of allotments to

small farms, as set forth in paragraph (g), an amount of not more than three percent of that amount of the regular county acreage allotment which remains after making the initial allotments. [Sec. 344 (d) (2), 52 Stat. 58.]

(d) Apportionment on the basis of tilled land. The remainder of the regular county acreage allotment, plus the additional allotment, if any, made to the county from the four-percent State reserve pursuant to paragraph (a), shall be apportioned among all farms on which the highest planted plus diverted cotton acreage in any one of the three years 1939 to 1941 was more than five acres. The acreage thus to be apportioned to each such farm shall, together with the initial allotment made to the farm, be a percentage (which shall be the same percentage for all farms in the county or administrative area within the county) of the acreage on the farm in 1941 which was tilled or was in regular rotation, excluding therefrom the acreage devoted to the production of sugarcane for sugar, wheat, tobacco, or rice for market, or of wheat or rice for feeding to livestock for market. [Sec. 344 (d) (3), 52 Stat. 58.]

(e) Increases as a result of making initial farm acreage allotments. If, as a result of the making of initial allotments, the farm acreage allotments for farms made in accordance with paragraph (d) are substantially smaller than the farm acreage allotments which would have been made without regard to any provision for the making of initial allotments, the farm acreage allotments to such farms shall be increased to the acreage which would have resulted in the absence of any provision for the making of initial allotments, insofar as the remainder, if any, of the four-percent State reserve will permit for the county after the making of initial allotments. [Sec. 344 (g) (2), 52 Stat. 203 and 53 Stat. 853.]

(f) Increases in view of past production. After allotments have been made from the four-percent State reserve as provided in paragraphs (b) and (e), one-half of the remainder, if any, of such reserve, less the additional allotment, if any, made to all counties in the State from the four-percent State reserve pursuant to paragraph (a), shall be apportioned to farms for which the acreage allotment otherwise determined is less than 50 percent of the planted plus diverted cotton acreage on the farm in 1937, and the other one-half of the remainder, if any, of such reserve shall be available for increasing the allotments for any farms which are determined, in accordance with applicable instructions, to be inadequate and not representative in view of past production on the farm: Provided, That the cotton acreage allotment for any farm shall not be increased under this paragraph (f) above 40 percent of the acreage on such farm in 1941 which was tilled or was in regular rotation. [Sec. 344 (g) (3), 52 Stat. 203 and 53 Stat. 853.]

(g) Distribution of reserve for small farms. Any farm acreage allotment made as aforesaid of more than five acres, but not exceeding 15 acres, may be increased from the reserve of not more than three percent of the county acreage allotment mentioned in paragraph (c). In making such increase due consideration shall be given to, and such allotments shall be made on the basis of, the land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton. [Sec. 344 (d) (2), 52 Stat. 58.]

(h) Certain minimum and maximum farm acreage allotments. Notwithstanding the foregoing provisions of this section, (1) the farm acreage allotment made to any farm shall not exceed the highest planted plus diverted cotton acreage in any one of the three years 1939 to 1941, and (2) any farm acreage allotment which after but not before the apportionment of all acreage allotments, as provided in the foregoing paragraphs of this section, is less than 50 percent of the planted plus diverted cotton acreage on the farm in 1937 shall be increased to such amount, provided that such increase shall not be so made as to raise the farm acreage allotment above 40 percent of the acreage on the farm which in 1941 was tilled or was in regular rotation. The acreage allotments required to effect this minimum provision shall be in addition to all acreage allotments represented by the regular county acreage allotment and by the four-percent State reserve. [Sec. 344 (d) (3), (g), and (h), 52 Stat. 58, 203 and 586 and 53 Stat. 512 and 853.]

(i) Reapportionment of unused farm acreage allotments. After making the allotments under this section, any part of the acreage allotted to individual farms which it is determined, in accordance with applicable instructions, will not be planted to cotton in 1942 shall be deducted from the allotments to such farms and may be apportioned in accordance with applicable instructions, preference being given to farms in the same county receiving allotments which are inadequate and not representative in view of the past production of cotton on each farm. Notwithstanding the foregoing provisions of this paragraph, the acreage shall be apportioned to those farms designated by the county committee. In designating the farm to which the apportionment is to be made, the county committee shall consider only the character and adaptability of the soil and other physical facilities affecting the production of cotton and the need of the operator of such farm for an additional allotment to meet the requirement of the families engaged in the production of cotton in 1942 on the farm. Any transfer of allotments for 1942 as set forth in this paragraph shall not affect apportionment for any subsequent year. [Sec. 344 (h), 52 Stat. 57, 203, 586, and 53 Stat. 512, 853.]

Sec. 205. Apportionment of acreage allotments among new farms. The county committee, with the assistance of other local committees, shall, in accordance with applicable instructions, apportion among farms for which an application for a farm acreage

allotment was made in writing within the time limit prescribed therefor by the Agricultural Adjustment Administration and on which cotton was not planted in any one of the three years 1939 to 1941 and on which cotton will be planted in 1942 the distributive part, applicable to the county, of acreage allotments which constitute a reserve of nor more than one percent of the State acreage allotment. The basis of the apportionment shall be the land, labor, and equipment available on the farm for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton thereon, taking into consideration the applicant's intention to plant cotton in 1942 on the farm. As a reflection of the several factors to be taken into consideration, the acreage on the farm which will be tilled in 1942 or was tilled in 1941 will be the basic index of the farm's capacity for cotton production: Provided, That the allotment shall not exceed an acreage equal to 50 percent of the county percentage factor, determined under paragraph (d), times the tilled acreage in the farm used in determining the cotton acreage allotment, except that (i) for any such farm with respect to which the county committee's recommendation of an allotment is less than three acres, such recommendation shall be the cotton acreage allotment for the farm if the State reserve for new farms is sufficient therefor, or for any such farm with respect to which the county committee's recommendation of an allotment is three acres or more the allotment for the farm shall not be less than three acres if the State reserve for new farms is sufficient therefor, taking into consideration also the local committee's recommendation, and (ii) for a farm on which the producer has in the previous year operated another farm located in an area in which several contiguous farms were purchased by a State or Federal agency to be retired from crop production the county cotton factor times the tilled acreage for the farm may be regarded as the basic index for the farm's capacity for cotton production.

[Sec. 344 (c) (2), 52 Stat. 57.]

Sec. 206. Normal yields. (a) Farms for which normal yields will be established. The county committee, with the assistance of the other local committees established in the county, shall determine the normal yield per acre of lint cotton for each farm for which a farm acreage allotment is established.

(b) Yields based on reliable records. Where reliable records of the actual average yield of lint cotton per acre for all of the five years 1936 to 1940 are presented by the farmer or are available to the committee, the normal yield per acre of lint cotton for the farm shall be the average of such yields, adjusted, in accordance with applicable instructions, for abnormal weather conditions.

(c) Appraised yields. If for any year of the five-year period 1936 to 1940 (1) records of the actual average yield are not available, or (2) there was no actual yield because cotton was not planted in such year, the normal yield per acre of lint cotton for the farm shall be appraised by the county committee, taking into consideration the

normal yield for the county, the yield in the years for which data are available, and the rainfall, temperature, and other weather conditions during the years for which data are available as compared with those for which data are not available, provided the appraised yield so obtained shall be adjusted in accordance with paragraph (d).

(d) Adjustments in appraised yields. The yields determined under paragraph (c) shall be adjusted so that the average of the normal yields per acre of lint cotton determined for all farms in the county or local administrative area therein (weighted by the cotton acreage allotments established for such farms) shall conform to but not exceed the county or administrative area normal yield per acre of lint cotton established for 1942 by the Secretary of Agriculture. [Sec. 301 (b) (13) (B) and (E), 52 Stat. 38, 202.]

Sec. 207. Applicability of detailed instructions. The provisions of Sec. 101 through Sec. 206 shall be carried out in detail in accordance with the provisions of Part I, "Instructions for Determining 1942 Farm Cotton Acreage Allotments and Normal Yields", of the following instructions applicable to the regions indicated below:

Southern Region: Cotton 608-SR, "Instructions Pertaining to Cotton Marketing Quotas for 1942".

East Central Region: Cotton 608-ECR, "Instructions Pertaining to Cotton Marketing Quotas for 1942".

Western Region: Cotton 608-WR, "Instructions Pertaining to Cotton Marketing Quotas for 1942".

North Central Region: Cotton 608-NCR, "Instructions Pertaining to Cotton Marketing Quotas for 1942". [Sec. 375, 52 Stat. 66.]

#### FARM MARKETING QUOTAS

Sec. 301. Farm marketing quotas. (a) Amount of farm marketing quota. The farm marketing quota for any farm for the 1942-1943 marketing year shall be that number of pounds of lint cotton equal to the sum of the following: (1) the amount of the normal production or the actual production, whichever is the greater, of the farm acreage allotment, and (2) the amount of any carryover penalty free cotton.

(b) Initial farm marketing quotas. Notwithstanding any other provisions of this section, the amount of the normal production of the farm acreage allotment, plus the amount of any carry-over penalty free cotton, shall be the farm marketing quota for any farm unless and until it is determined by the county committee that the actual production in 1942 of the farm acreage allotment therefor is in excess of the normal production thereof. If measurements for any farm cannot be made, the farm marketing quota therefor shall be the normal

production of the farm acreage allotment therefor, plus the amount of carry-over penalty free cotton.

(c) Farm marketing quotas based on actual production. When the actual production in 1942 of the farm acreage allotment for any farm, as shown by the reports of cotton ginned from or produced on the farm, or other satisfactory evidence, is found by the county committee to be in excess of the normal production of the farm acreage allotment, the farm marketing quota for the farm shall be adjusted upward by the amount by which the actual production of the farm acreage allotment exceeds the normal production thereof. Such adjustment shall be made as soon as practicable after all cotton produced on the farm in 1942 is harvested and satisfactory records pertaining to the amount thereof are presented to the county committee; however, intermediate adjustments for any farm may be made earlier if the adjustment is requested by the operator of the farm and determined by the county committee to be justifiable on the basis of the amount of cotton produced on the farm in 1942 that is harvested at the time of the request. [Sec. 346 (a), 52 Stat. 59.]

(d) Conversion of carryover penalty cotton. The amount of unmarketed cotton at the end of the 1941-1942 marketing year which, if marketed during that marketing year, would have been subject to penalty at a rate per pound less than the penalty rate applicable to cotton of the 1942 crop shall, for the purposes of these regulations, be regarded as having been converted, on the basis of the rate of penalty applicable to cotton of the 1942 crop, into such an amount thereof as is subject to such rate of penalty and such an amount thereof as is henceforth not subject to any penalty. The conversion is made by taking as carryover penalty cotton subject to the rate of penalty applicable to cotton of the 1942 crop, an amount of such unmarketed cotton which bears the same ratio to the total amount thereof as the lower rate of penalty bears to the rate of penalty applicable to the 1942 crop and by taking as carryover penalty free cotton the remainder of such unmarketed cotton.

Sec. 302. Notice of farm marketing quotas. Immediately upon the establishment of farm acreage allotments and the determination of normal yields per acre of lint cotton for farms in a county or other local administrative area, the county committee shall mail or deliver directly to the operator of each farm a written notice of the farm marketing quota for the farm. The notice shall contain at or near the top thereof the following statement: "To all persons who as operator, landlord, tenant, or sharecropper are interested in the farm for which this quota is established". Notice so given shall constitute notice to all such persons. The notice shall contain the amount of the farm acreage allotment and normal yield for the farm, together with a brief statement of the manner in which the amount of the farm marketing quota is determined pursuant to Sec. 301. The notice shall contain also a brief statement of the procedure whereby application for review of the quota may be made under section 363 of the act. A copy of each notice, containing a notation thereon of the

date of mailing or delivering the notice to the operator of the farm, shall be kept among the permanent records of the county committee, and upon request a copy thereof, duly certified as true and correct, shall be furnished without charge to any person who as operator, landlord, tenant, or sharecropper is interested in the cotton produced in 1942 on the farm for which the notice is given. The county committee shall also mail or deliver directly to the operator of each new cotton farm for which it determines that no farm marketing quota will be established a similar written notice, informing the producers on such farm of its determination. Sec. 362, 52 Stat. 62.

Sec. 303. Publication of farm acreage allotments, normal yields, and farm marketing quotas. One copy of each notice of the farm marketing quota for farms in a county shall be placed in binders or folders and posted in the office of the county committee in a manner that will make the copies of the notices freely available for public inspection for a period of not less than thirty calendar days. At the end of such period the copies of the notices shall be filed in the office of the county committee and remain readily available for further public inspection. Sec. 362, 52 Stat. 62.

Sec. 304. Marketing quotas in effect. Marketing quotas shall be in effect during the 1942-1943 marketing year with respect to the marketing of cotton. Cotton produced in the calendar year 1942 shall be subject to the quotas in effect, notwithstanding that it may be marketed prior to August 1, 1942. Secs. 345 and 347, 52 Stat. 58 and 59.

Sec. 305. Successors-in-interest. Any person who succeeds to the interest of a producer in a farm, or in a cotton crop, or in cotton for which a farm marketing quota was established shall, to the same extent as his predecessor, be entitled to all the rights and privileges incident to such marketing quota and be subject to the restrictions on the marketing of cotton. Sec. 375 (b), 52 Stat. 66.

Sec. 306. Marketing quotas not transferable. A farm marketing quota is established for a farm and may not be assigned or otherwise transferred in whole or in part to any other farm. Sec. 375 (b), 52 Stat. 66.

Sec. 307. Review of quotas. (a) Review committees. Any producer who is dissatisfied with the farm marketing quota established for his farm, or, in the case of a new cotton farm, with the action of the county committee in refusing to establish a farm marketing quota for such farm, may, by making application within 15 days after the mailing or delivery directly to him of the notice provided for in Sec. 302, have such quota or determination reviewed by a local review committee composed of three farmers appointed by the Secretary of Agriculture. The review committee shall, upon proper application, review the action of the county committee. The review committee in determining any farm marketing quota shall, to the same extent as the county committee, be limited to the establishment of a farm marketing quota in an amount which, under the law and regulations,

should have been established. Unless such application is made within 15 days the original determination of the farm marketing quota shall be final. All applications for review shall be made in accordance with the Review Regulations (38-AAA-2, Revised) issued by the Secretary of Agriculture. [Secs. 363 and 364, 52 Stat. 63.]

(b) Court review. If the producer is dissatisfied with the determination of the review committee, he may, within 15 days after the notice is mailed to him by registered mail, institute proceedings against the review committee to have the determination of the review committee reviewed by a court in accordance with section 365 of the act. [Secs. 365 and 366, 52 Stat. 63.]

Done at Washington, D. C.,  
this 11th day of December, 1941.  
Witness my hand and the seal of  
the Department of Agriculture.

/s/ Claude R. Wickard

Secretary of Agriculture.



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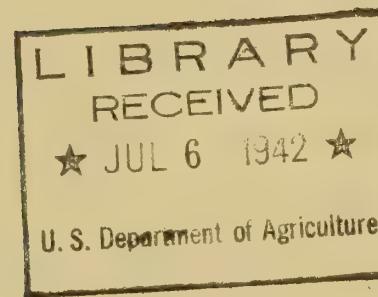
MQ-603-Wheat

Issued May 2, 1942

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL CONSERVATION AND ADJUSTMENT ADMINISTRATION  
AGRICULTURAL ADJUSTMENT AGENCY

REGULATIONS PERTAINING TO WHEAT MARKETING  
QUOTAS FOR THE 1942 CROP OF WHEAT



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REGULATIONS PERTAINING TO WHEAT MARKETING QUOTAS

FOR THE 1942 CROP OF WHEAT

By virtue of the authority vested in the Secretary of Agriculture by Title III of the Agricultural Adjustment Act of 1938 (Public Law No. 430, 75th Congress, approved February 16, 1938; 52 Stat. 31; 7 U. S. C. 1940 ed. 1301 *et seq.*), as amended, and Public Law No. 74, 77th Congress, approved May 26, 1941, 55 Stat. 203, as amended by Public Laws Nos. 374 and 384, 77th Congress, approved December 26, 1941, 55 Stat. 860,872, public notice is hereby given of the following regulations governing wheat marketing quotas for the 1942 crop of wheat, which regulations shall be in force and effect until rescinded or suspended or amended or superseded by regulations hereafter made under the law. 1/

PART I. DEFINITIONS AND ISSUANCE OF FORMS AND INSTRUCTIONS

Section 101. Issuance of Forms and Instructions and Definitions

(a) Issuance of forms and instructions - The Administrator of the Agricultural Conservation and Adjustment Administration shall cause to be prepared and issued with his approval such instructions and such forms as may be required to carry out these regulations. Copies of forms and instructions shall be furnished free to persons needing them upon request made to the Administrator or to the office of the county committee.

(b) Definitions - As used in these regulations and in all forms and documents in connection therewith, unless the context or subject matter otherwise requires, the following terms shall have the following meanings and the masculine shall include the feminine and neuter genders and the singular shall include the plural:

(1) ACT: The Agricultural Adjustment Act of 1938 and any amendments thereto, including Public Law No. 74, 77th Congress, approved May 26, 1941, and Public Laws Nos. 374 and 384, 77th congress, approved December 26, 1941.

(2) SECRETARY OF AGRICULTURE: The Secretary or Acting Secretary of Agriculture of the United States.

(3) ADMINISTRATOR: The Administrator or Acting Administrator of the Agricultural Conservation and Adjustment Administration of the United States Department of Agriculture.

(4) AGRICULTURAL ADJUSTMENT AGENCY: That part of the Agricultural Conservation and Adjustment Administration, which was formerly called the Agricultural Adjustment Administration and which is in charge of the administration of programs under Sections 7 to 17 inclusive

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1/ Unless otherwise indicated, all references in the text to sections relate to sections of these regulations. All section references at the end of sections relate to sections of the Agricultural Adjustment Act of 1938, as amended, and all paragraph references at the end of sections relate to Public Law No. 74, 77th Congress, approved May 26, 1941, 55 Stat. 203, as amended by Public Law No. 374, 77th Congress, approved December 26, 1941, 55 Stat. 860, and as amended by Public Law No. 384, 77th Congress, approved December 26, 1941, 55 Stat. 872.

of the Soil Conservation and Domestic Allotment Act (49 Stat. 1148), as amended (hereinafter referred to as the Soil Conservation and Domestic Allotment Act) and of marketing quotas and certain other programs carried out under the Agricultural Adjustment Act of 1938 and related legislation.

(5) CHIEF: The Chief of the Agricultural Adjustment Agency.

(6) REGIONAL DIRECTOR: The Director or Acting Director of the division of the Agricultural Adjustment Agency for the particular region.

(7) WESTERN REGION: The area included in the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming.

(8) NORTH CENTRAL REGION: The area included in the States of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

(9) SOUTHERN REGION: The area included in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas.

(10) EAST CENTRAL REGION: The area included in the States of Delaware, Kentucky, Maryland, North Carolina, Tennessee, Virginia, and West Virginia.

(11) NORTHEAST REGION: The area included in the States of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

(12) STATE COMMITTEE: The group of persons comprising the State Agricultural Conservation Committee appointed by the Secretary of Agriculture to assist within any State in the administration of the Soil Conservation and Domestic Allotment Act.

(13) COMMITTEE: A committee within a county or community utilized under the Soil Conservation and Domestic Allotment Act. "County committee," "community committee," or "local committee" shall have corresponding meanings in the connection in which they are used.

(14) TREASURER OF THE COUNTY COMMITTEE: The treasurer of the county agricultural conservation association or the treasurer of the county committee, as the case may be.

(15) REVIEW COMMITTEE: The review committee appointed by the Secretary of Agriculture to review farm marketing quotas as provided in the Act.

(16) PERSON: An individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State or political subdivision thereof or an agency of such State or political subdivision. The term "person" shall include two or more persons having a joint or common interest.

(17) LANDLORD OR OWNER: A person who owns land.

(18) TENANT: A person other than a sharecropper who rents land from another person whether or not he rents such land or part thereof to another person.

(19) SHARECROPPER: A person who works a farm in whole or in part under the general supervision of the operator and is entitled to receive for his labor a share of a crop produced thereon or of the proceeds thereof.

(20) OPERATOR: A person who as owner, landlord, or tenant is operating a farm.

(21) PRODUCER OR FARMER: A person who as owner, landlord, tenant, or sharecropper is entitled to all or a share of the 1942 wheat crop or of the proceeds thereof.

(22) BUYER: A person who buys wheat.

(23) TRANSFeree: A person who acquires wheat from a producer or any other person by barter, exchange, or gift.

(24) INTERMEDIATE BUYER: Any buyer or transferee who purchases or acquires any wheat prior to the time the wheat so purchased or acquired has been marketed either (i) to a warehouseman, elevator operator, feeder, or other processor, or (ii) to any other grain dealer who the county or State committee finds conducts his business in a manner substantially the same as a warehouseman or elevator operator.

(25) FARM: All adjacent or nearby farm land under the same ownership which is operated by one person, including also:

(i) Any other adjacent or nearby farm land which the county committee, in accordance with instructions issued by the Administrator, determines is operated by the same person as part of the same unit with respect to the rotation of crops and with work-stock, farm machinery, and labor substantially separate from that for any other land; and

(ii) Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the county or administrative area, as the case may be, in which the principal dwelling on the farm is situated or if there is no dwelling thereon it shall be regarded as located in the county or administrative area, as the case may be, in which the major portion of the farm is located.

(26) NON-ALLOTMENT FARM: Any farm (i) for which no farm acreage allotment is determined, (ii) for which a farm acreage allotment of 15 acres or less is determined and the planted wheat acreage plus any acreage of volunteer wheat which reaches maturity exceeds the allotment by ten percent or more, (iii) in the East Central and Southern Regions, except Texas and Oklahoma, which is subject to marketing quotas and on which the acreage of wheat harvested for grain or for any other purpose exceeds the farm acreage allotment or 15 acres, whichever is the larger, but on which the acreage of wheat so harvested is not in excess of three acres per family living on the farm and having an interest in the wheat crop grown thereon, (iv) for which a farm acreage allotment of more than 15 acres is determined and on which wheat is normally planted for green manure, hay, or pasture, or on which wheat for the 1942 crop will be planted for such use and the county committee, in accordance with instructions of the Administrator, approves the classification of the farm as a non-allotment farm, or (v) on which wheat was not planted for any of the 1939, 1940, or 1941 wheat crops.

(27) ALLOTMENT FARM: Any farm other than a non-allotment farm.

(28) FARM ACREAGE ALLOTMENT: A wheat acreage allotment established for a farm under Sec. 204.

(29) ACREAGE OF WHEAT: In the case of a wheat allotment farm the acreage planted to wheat plus any acreage of volunteer (self-seeded) wheat which reaches maturity; in the case of a non-allotment farm any wheat acreage harvested as grain in any manner after reaching maturity.

An acreage seeded in a mixture which it is determined, in accordance with instructions of the Administrator, may reasonably be expected to produce a crop containing such a proportion of plants other than wheat that the crop cannot be harvested as wheat for grain or seed will not be classified as acreage of wheat: Provided, that the acreage seeded to a mixture shall be classified as an acreage of wheat if the wheat reaches maturity and the plants other than wheat fail to reach maturity.

Acreage planted to wheat will not be considered as an acreage of wheat for the farm to the extent that (i) it has been totally destroyed by any cause beyond the control of the producer and cannot be reseeded and (ii) an additional acreage of wheat, subsequently seeded with prior approval of the county committee, or an acreage of volunteer wheat, with approval of county committee, or both, is substituted for the destroyed acreage.

(30) EXCESS WHEAT ACREAGE: An acreage of wheat determined for the farm under Sec. 403 or Sec. 904, whichever is applicable.

(31) NORMAL YIELD: The number of bushels of wheat established as the normal yield per acre for the farm under Sec. 205.

(32) ACTUAL YIELD: The number of bushels of wheat determined by dividing the number of bushels of wheat produced on the farm in 1942 by the 1942 acreage of wheat on the farm.

(33) NORMAL PRODUCTION of any number of acres: The normal yield per acre of wheat for the farm times such number of acres.

(34) ACTUAL PRODUCTION of any number of acres: The actual yield of wheat per acre for the farm times such number of acres.

(35) FARM MARKETING QUOTA: The wheat marketing quota established under the Act for the farm for the 1942 crop.

(36) FARM MARKETING EXCESS: The amount of wheat determined for any farm under Sec. 403, 405, or 904, whichever is applicable.

(37) MARKETING YEAR: The period beginning July 1, 1942, and ending June 30, 1943, both dates inclusive.

(38) MARKET: To dispose of wheat, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift, or by feeding (in any form) to poultry or

livestock which, or the products of which, are sold, bartered, or exchanged, or are to be so disposed of, except wheat as a premium to the Federal Crop Insurance Corporation.

(i) The term "sale" means any transfer of title to wheat by a producer by any means other than barter, exchange, or gift.

(ii) The terms "barter" and "exchange" mean transfer of title of wheat by a producer in return for wheat or any other commodity, service, or property, in cases where the value of the wheat or such other commodity, service or property is not considered in terms of money, or the transfer of title to wheat by a producer in payment of a fixed rental or other charge for land, or the payment of an amount of wheat in lieu of a cash charge for harvesting or milling wheat (commonly called "toll wheat").

(iii) The term "gift" means any transfer of title to wheat accompanied by delivery of the wheat by a producer which takes effect immediately and irrevocably and is made without any consideration or compensation therefor.

(iv) "Marketed," "marketing," and "for market" shall have meanings corresponding to the term "market" in the connection in which they are used.

(39 PENALTY: The penalty provided in paragraph 2 of Public Law No. 74. (Sec. 375, 52 Stat. 66, 7 U. S. C. 1375)

## PART II. ALLOTMENTS AND YIELDS

### Sec. 201 National Acreage Allotment

The national acreage allotment of wheat for the 1942 crop of wheat was determined by the Secretary of Agriculture to be 55,000,000 acres, as published in the Federal Register on May 22, 1941, Vol. 6, p. 2519 (daily edition). The national acreage allotment for the 1942 crop of wheat is the acreage which the Secretary of Agriculture so determined would, on the basis of the national average yield of wheat, produce an amount of wheat adequate, together with the estimated carry-over on July 1, 1942, to make available a supply for the marketing year beginning July 1, 1942, equal to a normal year's domestic consumption and exports plus 30 per centum thereof. National average yield of wheat is the national average yield per acre of wheat during the ten calendar years 1931-40, adjusted for abnormal weather conditions and for trends in yields. Carry-over of wheat for the 1942-43 marketing year is the quantity of wheat on hand in the United States on July 1, 1942, not including any wheat which was produced in the United States in 1942, and not including any wheat held by the Federal Crop Insurance Corporation. Normal year's domestic consumption of wheat is the yearly average quantity of wheat, wherever produced, that was consumed in the United States during the ten marketing years 1929-30 to 1938-39, adjusted for current trends of such consumption. Normal year's exports of wheat is the yearly average quantity of wheat produced in the United States that was exported from the United States during the ten marketing years 1929-30 to 1938-39, adjusted for current trends in such exports. (Sec. 353, 52 Stat. 53, 775, 53 Stat. 1125, 7 U. S. C. 1333)

### Sec. 202 State Acreage Allotments

The national acreage allotment of wheat for the 1942 crop was apportioned among the several States on the basis of the acreage seeded for the production of wheat during the

ten calendar years 1931-1940 (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period. The State acreage allotments for the 1942 crop of wheat were determined by the Secretary of Agriculture, as published in the Federal Register on June 10, 1941, Vol. 6, p. 2778 (daily edition). (Sec. 334 (a), 52 Stat. 55, 7 U.S.C. 1334 (a))

Sec. 203 County Acreage Allotments

Each State acreage allotment for the 1942 crop of wheat was apportioned by the Secretary of Agriculture among the counties in the State on the basis of the acreage seeded for the production of wheat during the ten calendar years 1931-40 (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practices. (Sec. 334 (b), 52 Stat. 54, 203, 7 U. S. C. 1334 (b))

Sec. 204 Farm Acreage Allotments

Each county acreage allotment for the 1942 crop of wheat was apportioned by the Secretary of Agriculture, through the county committees, among the farms within the county on the basis of tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 percent of such county allotment was apportioned to farms on which wheat had not been planted for the 1939, 1940, or 1941 crop. (Sec. 334 (c), 52 Stat. 54, 7 U. S. C. 1334 (c))

Sec. 205 Normal Yields

(a) Farms for which normal yields were determined. - The Secretary of Agriculture, through the local committees in each county, determined the normal yield per acre of wheat for each farm on which wheat was planted for the 1942 crop.

(b) Yields based on reliable records. Where reliable records of the actual average yield of wheat per acre for all of the ten years 1931-1940 were presented by the farmer or were available to the county committee, the normal yield per acre of wheat for the farm was determined to be the average of such yields, adjusted for abnormal weather conditions and trends in yields.

(c) Appraised yields. - If for any year of the 10-year period 1931-1940 (1) records of the actual average yield were not available, or (2) there was no actual yield, the normal yield per acre of wheat for the farm was appraised by the county committee, taking into consideration abnormal weather conditions, the normal yield for the county, and the yields in years for which data were available. The appraised yields so obtained were adjusted in accordance with paragraph (d) of this section.

(d) Adjustments in appraised yields. - The yields determined under paragraph (c) were adjusted so that the average of the normal yields per acre of wheat determined for all farms in the county (weighted by the wheat acreage allotments established for such farms) was not in excess of the county normal yield per acre of wheat established for 1942 by the Secretary

of Agriculture as published in the Federal Register on January 5, 1942, Volume 7, p. 66 (daily edition). (Sec. 501 (b) (13) (A) and (E), 52 Stat. 41, 42, 202, 54 Stat. 727, 1211, 7 U.S.C. 1301 (b))

Sec. 206 Applicability of Detailed Instructions

The detailed instructions for carrying out the provisions of Sec. 201 through Sec. 205 are contained in the following documents:

"Regulations Pertaining to Farm Acreage Allotments and Normal Yields for the 1942 Crop of Wheat (as revised)," issued by the Secretary of Agriculture, published in the Federal Register on August 8, 1941, Vol. 6, p. 3961 (daily edition).

"County Procedure for 1942 Farm Wheat Yields," form FCI-201-W, issued February, 1941, by the Agricultural Adjustment Administration (now the Agricultural Adjustment Agency of the Agricultural Conservation and Adjustment Administration).

East Central Region: ECR-537, "1942 Wheat Allotment Procedure."

North Central Region: NCR-610-W, "Instructions for Determining Wheat Acreage Allotments for 1942."

Northeast Region: NER-601, "Procedure for Determining 1942 Wheat Acreage Allotments and Yields."

Southern Region: Wheat 608, Part I-SR, "Instructions for Determining 1942 Farm Wheat Acreage Allotments and Normal Yields."

Western Region: WR-601, "County Office Procedure for Determining 1942 Farm Wheat Acreage Allotments and for Preparation of Notices of Allotment to Farmers and for the Handling of Appeals." (Sec. 375, 52 Stat. 66, 7 U.S.C. 1375)

**PART III. IDENTIFICATION AND MEASUREMENTS OF FARMS**

Sec. 301 Identification of Farms

Each farm as operated for the 1942 crop of wheat shall be identified by a farm serial number, assigned by the county committee, which shall not be changed, and all records pertaining to marketing quotas for the 1942 crop of wheat shall be identified by the farm serial number. (Sec. 374, 52 Stat. 65, 7 U.S.C. 1374)

Sec. 302 Measurements of Farms

The county committee shall provide for measuring each wheat farm in the county in accordance with the procedure approved for use by the Agricultural Adjustment Agency. (Sec. 374, 52 Stat. 65, 7 U.S.C. 1374)

Sec. 303 Reports and Records of Farm Measurements

A record shall be kept of the measurements made on all farms and there shall be filed with the State committee a written report setting forth for each farm for which a farm

marketing excess is determined and for which the wheat produced thereon is not exempt from penalty (1) the farm serial number, (2) the name of the operator, (3) the total acreage in cultivation, (4) the farm acreage allotment, and (5) the acreage of wheat. (Sec. 374, 52 Stat. 65, 7 U.S.C. 1374)

#### PART IV. FARM MARKETING QUOTA AND FARM MARKETING EXCESS

##### Sec. 401 Marketing Quotas in Effect

Marketing quotas for the 1942 crop of wheat shall be applicable to any wheat of that crop notwithstanding that it may be available for market prior to the beginning of the marketing year or subsequent to the end of the marketing year. (See. 335 (a), 52 Stat. 54, 7 U.S.C. 1335 (a); par. 1)

##### Sec. 402 Farm Marketing Quota

The farm marketing quota for any farm for the 1942 crop of wheat shall be that number of bushels of wheat produced less the amount of the farm marketing excess for the farm. (Sec. 335 (a), 52 Stat. 54, 53 Stat. 1126, 7 U.S.C. 1335 (c); par. 1)

##### Sec. 403 Farm Marketing Excess

(a) Where measurements are made. - The farm marketing excess for the 1942 crop of wheat for any allotment farm shall be the normal production of the acreage of wheat on the farm in excess of the farm acreage allotment therefor. Where, upon application of the producer in accordance with Sec. 405, it is established by the producer that the normal production of the excess acreage is larger than the amount by which the actual production of wheat in 1942 on the farm exceeds the normal production of the farm acreage allotment therefor, the farm marketing excess shall be adjusted downward to the smaller amount.

(b) Where measurements cannot be made. - Whenever the determination of the acreage of wheat in excess of the allotment for any allotment farm is prevented by the producer, the farm marketing excess shall be the total number of bushels of wheat produced in 1942 on the farm. In the event the producer establishes, in accordance with Sec. 405, the total number of bushels of wheat produced in 1942 on the farm, the farm marketing excess shall be the number of bushels of wheat produced in 1942 on the farm in excess of the normal production of the farm acreage allotment therefor. (Sec. 335 (c), 375 (b), 52 Stat. 54, 66, 53 Stat. 1126, 7 U.S.C. 1335 (c), 1375 (b); par. 1,3,12)

##### Sec. 404 Notice of Farm Marketing Quota and Farm Marketing Excess

Written notice of the farm marketing quota established for a farm shall be mailed or delivered to the operator of each allotment or non-allotment farm. Written notice of the farm marketing excess for a farm shall be mailed or delivered to the operator of each allotment or non-allotment farm. Notice so given shall constitute notice to each producer having an interest in the 1942 wheat crop produced or to be produced on the farm. Each notice shall contain a brief statement of the procedure whereby application for a review of the farm marketing quota, farm marketing excess, or any determination made in connection therewith may be had in accordance with section 363 of the Act. A record of each notice

containing the date of mailing or delivering the notice to the operator of the farm shall be kept among the permanent records of the county committee and upon request a copy thereof shall be furnished without charge to any person who as operator, landlord, tenant, or share-cropper is interested in the wheat produced in 1942 on the farm for which the notice is given. Each notice shall be on a form prescribed by the Administrator and shall contain the information necessary in each case to inform the producer as to the basis for the determinations set forth in the notice and the effect thereof. (Sec. 362, 52 Stat. 62, 7 U.S.C. 1362)

Sec. 405 Farm Marketing Excess Adjustment

(a) Adjustment in the amount of the farm marketing excess. - Any producer having an interest in the wheat produced in 1942 on any farm for which there is a farm marketing excess may, within 60 days after the threshing of wheat is normally substantially completed in the county in which the farm is situated, apply for a downward adjustment in the amount of the farm marketing excess on the basis of the amount of wheat produced in 1942 on the farm. The date on which the threshing of wheat is normally substantially completed in the county shall be determined by the State committee taking into consideration recommendations which the county committee may make and, unless application for an adjustment in the farm marketing excess is made prior to the expiration of 60 calendar days next succeeding that date, the farm marketing excess for any farm in the county as determined on the basis of the normal production of the excess wheat acreage for the farm shall be final as to the producers on the farm. The county committee shall keep a record of each application so made and the date thereof. The county committee shall establish a time and place at which each application will be considered and shall notify the applicant of the time and place of the hearing. Insofar as practicable, applications shall be considered in the order in which made.

(b) Procedure in connection with an application for an adjustment in the farm marketing excess. - The county committee shall consider each application on the basis of facts known by or made available to it and on the basis of such evidence as may be presented to it by the applicant. The actual production of any farm shall be determined in view of the relevant facts, including the normal yield established for the county; the past production on the farm; the actual yields during the same year of other farms in the community; the actual and normal yields of other farms in the community which are similar with regard to farming practices followed, type of soil and productivity; the harvesting, processing, and sales of the commodity produced on the farm; farming practices followed on the farm; weather and other factors affecting the production of wheat on the farm and in the locality in which the farm is situated. In the consideration of any application for an adjustment in the farm marketing excess, the producer shall have the burden of proof. The evidence presented by the applicant may be in the form of written statements or other documentary evidence or of oral testimony in a hearing before the county committee during its consideration of the application. In order to expedite the consideration of applications, the county committee shall receive, in advance of the time fixed for consideration of the application, any written statement or documentary evidence offered by or on behalf of the applicant, and the application may be disposed of upon the basis of such statement or evidence, together with other information bearing on or establishing the facts which is available to the county committee, unless the applicant appears before the county committee at the time fixed for considering the application and requests a hearing for the purpose of offering documentary evidence or oral testimony in support of the application. Every such hearing shall be open to the public. The county committee shall make its determination in connection with each application

not later than five calendar days next succeeding the day on which the consideration of the application was concluded. The determination of the county committee shall be in writing and shall contain (1) a concise statement of the grounds upon which the applicant sought an adjustment in the amount of the farm marketing excess, (2) a concise statement of the findings of the county committee upon the questions of fact, and (3) the determination of the county committee as to the farm marketing quota and the farm marketing excess. A notice showing the result of the determination made as aforesaid, shall be mailed or delivered to the operator of the farm and also to the applicant if he is not such operator. (Sec. 335 (c), 375 (b), 52 Stat. 54, 66, 53 Stat. 1126, 7 U.S.C. 1335 (c), 1375 (b), par. 5, 12)

Sec. 406 Publication of the Farm Acreage Allotments, Normal Yields, and Marketing Quotas

A record of the farm acreage allotments and normal yields established for farms in the county shall be made available for public inspection in the office of the county committee for a period of not less than 30 calendar days. The records containing the information shall be kept where the public may freely examine them. At the end of the 30-day period the records shall be filed in the office of the county committee and shall remain available for further inspection upon request. There may be used for this purpose listing sheets, copies of notices, or other compilations upon which the pertinent data is shown. (See. 362, 52 Stat. 62, 7 U.S.C. 1362)

Sec. 407 Marketing Quotas Not Transferable

A farm marketing quota established for a farm may not be assigned or otherwise transferred in whole or in part to any other farm. (Sec. 338, 52 Stat. 55, 7 U.S.C. 1338)

Sec. 408 Successors-in-Interest

Any person who succeeds to the interest of a producer in a farm or in a wheat crop produced on a farm, for which a farm marketing quota and farm marketing excess were established, shall, to the same extent as his predecessor, be entitled to all the rights and privileges incident to such marketing quota and marketing excess and be subject to the restrictions on the marketing of wheat. (Sec. 375 (b), 52 Stat. 66, 7 U.S.C. 1375 (b))

Sec. 409 Review of Quotas

(a) Right to review by review committee. - Any producer who is dissatisfied with the farm acreage allotment and normal yield or the farm marketing quota or farm marketing excess or other determination for his farm in connection with marketing quotas may, within 15 calendar days after the notice thereof was mailed or delivered to him, apply in writing for a review by a review committee of such acreage allotment, normal yield, farm marketing quota, farm marketing excess or other determination in connection therewith. Unless application for review is made within such period, the acreage allotment, the normal yield, the farm marketing quota, farm marketing excess, or the determination, as the case may be, shall be final as to the producers on the farm. Application for review and the review committee proceedings shall be in accordance with the review regulations (38-AAA-2) as issued and revised by the Secretary of Agriculture.

(b) Court review. - If the producer is dissatisfied with the determination of the review committee, he may, within 15 days after notice of such determination is mailed to

him by registered mail, institute proceedings against the review committee to have the determination of the review committee reviewed by a court in accordance with section 365 of the Act. (Sec. 363, 364, 365, 366, 367, 52 Stat. 63, 64, 7 U.S.C. 1363, 1364, 1365, 1366, 1367)

#### PART V. MARKETING CARDS AND CERTIFICATES

##### Sec. 501 Issuance of Marketing Cards

(a) Producers eligible to receive marketing cards. - The operator and all other producers on a farm shall be eligible to receive a marketing card (form MQ-656-Wheat), unless the county committee determines that the issuance of a marketing card will not serve a useful purpose, if (1) no farm marketing excess is determined for the farm, (2) an amount equal to the penalty on the farm marketing excess has been received from the producer or any buyer as provided in Sec. 703 or 704, (3) the farm marketing excess is stored, as provided in Sec. 708, or (4) the amount of the farm marketing excess has been delivered to the Secretary of Agriculture, as provided in Sec. 709. Each marketing card shall be serially numbered and shall show (1) the names of the State and county and code number thereof and the serial number of the farm, (2) the signature of the issuing officer for the county committee, (3) the name and address of the producer to whom issued, and (4) the countersignature of the producer to whom the card is issued, or his duly authorized agent, or a statement by the county committee giving an explanation of the reason for which the countersignature cannot be made. The producers on a farm shall be ineligible to receive marketing cards if any producer on the farm owes any penalty for 1941 excess wheat. (Sec. 375 (a), 52 Stat. 66, 7 U.S.C. 1375 (a))

(b) Multiple farm producers eligible to receive marketing cards. - Any producer who is a wheat producer on more than one farm in a county shall not be eligible to receive a marketing card for any such farm in the county until, in accordance with the provisions of paragraph (a), he is eligible to receive a marketing card for each of such farms. The other producers on a farm for which the multiple farm producer would otherwise be eligible to receive a marketing card shall receive marketing cards with respect to the farm notwithstanding the ineligibility of the multiple farm producer. Where a producer is engaged in the production of wheat in more than one county the procedure outlined in this section for issuing marketing cards for multiple farms in a county may be followed with respect to all such farms, wherever situated, if the county committees of the respective counties so decide, or if the State committee has reason to believe that the procedure would be necessary to enforce the provisions of the Act. The State committee may require any multiple farm producer to file with it a list of all farms on which he is engaged in the production of wheat, together with any other information deemed necessary to enforce the Act. (Sec. 375 (a), 52 Stat. 66, 7 U.S.C. 1375 (a))

##### Sec. 502 Issuance of Marketing Certificates

The county committee shall, upon request, issue a marketing certificate, form Wheat 511-A, to any producer (a) who is eligible to receive a marketing card and who desires to market wheat by telegraph, telephone, mail, or by any means or method other than directly to and in the presence of the buyer or transferee, (b) who is ineligible to receive a marketing card solely because of penalties owed for 1941 excess wheat, or (c) whose liability

has been reduced to a proportionate share of the entire penalty in accordance with the provisions of Sec. 703. (c). Each certificate shall show (1) the name and address of the producer to whom issued, (2) the names of the State and county and the code number thereof and the serial number for the farm, (3) the serial number of the marketing card assigned to the producer for the farm, (4) the signature of the issuing officer of the committee, (5) the name of the buyer or transferee, (6) the number of bushels of wheat involved in the transaction, and (7) the signature of the producer. The original of the marketing certificate shall be issued to the producer for delivery to the buyer or transferee and the duplicate copy shall be retained in the office of the county committee. (Sec. 375 (a), 52 Stat. 66, 7 U.S.C. 1375 (a))

Sec. 503 Lost, Destroyed, or Stolen Marketing Cards or Certificates

(a) Report of loss, destruction, or theft. - In case a marketing card or certificate delivered to a producer is lost, destroyed, or stolen, any person having knowledge thereof shall, insofar as he is able, immediately notify the county committee of the following: (1) the name of the operator of the farm for which such marketing card or certificate was issued; (2) the name of the producer to whom the marketing card or certificate was issued, if someone other than the operator; (3) the serial number of the marketing card or certificate; (4) the description of the marketing card or certificate; and (5) whether in his knowledge or judgment it was lost, destroyed, or stolen and by whom.

(b) Investigation and findings of county committee. - The county committee shall make or cause to be made a thorough investigation of the circumstances of such loss, destruction, or theft. If the county committee finds, on the basis of its investigation, that such marketing card or certificate was in fact, lost, destroyed, or stolen, it shall cancel such marketing card or certificate by giving notice to the producer to whom the card or certificate was issued that it is void and of no effect. The notice to that effect shall be in writing, addressed to the producer at his last-known address, and deposited in the United States mails. If the county committee also finds that there has been no collusion or connivance in connection therewith on the part of the producer to or for whom the marketing card or certificate was issued, it shall issue to or for him a marketing card or certificate to replace the lost, destroyed, or stolen marketing card or certificate. Each marketing card or certificate issued under this section shall bear across its face in bold letters the word "DUPLICATE." In case a marketing card is canceled, as provided for in this section, the county committee shall immediately notify the buyers, elevator operators, or warehousemen who serve the county, or in the immediate vicinity, that the marketing card is canceled and of the issuance of any duplicate. Any person coming into possession of a canceled marketing card shall immediately return it to the county committee which issued it. (Sec. 375 (a), 52 Stat. 66, 7 U. S. C. 1375 (a))

Sec. 504 Cancelation of Marketing Cards Issued in Error

Any marketing card erroneously issued shall, immediately upon discovery of the error, be canceled by the county committee. The producer to whom such card was issued shall be notified in the manner prescribed in Sec. 503 (b) that the card is void and of no effect and that it shall be returned to the county committee. Upon the return of such card, the county committee shall cause to be endorsed thereon the notation "Canceled." In the event that such marketing card is not returned immediately, the county committee shall immediately

notify the elevator operators, warehousemen, and buyers who serve the county, or in the immediate vicinity, that the marketing card is canceled. A copy of each notice provided for in this section, containing a notation thereon of the date of mailing, shall be kept among the records of the county committee. (Sec. 375(a), 52 Stat. 66, 7 U. S. C. 1375(a))

#### PART VI. IDENTIFICATION OF WHEAT

##### Sec. 601 Time and Manner of Identification

Each producer of wheat and each intermediate buyer shall, at the time he markets any wheat, identify the wheat to the buyer or transferee, in the manner hereinafter provided, as being subject to or not subject to the penalty and the lien for the penalty. (Sec. 375(a), 52 Stat. 66, 7 U. S. C. 1375(a))

##### Sec. 602 Identification by Marketing Card

A marketing card (form MQ-656-Wheat) shall, when presented to the buyer by the producer to whom it was issued, be evidence to the buyer that the wheat for which the marketing card was issued may be purchased without the payment of any penalty by him and that such wheat is not subject to the lien for penalty. (Sec. 375(a), 52 Stat. 66, 7 U. S. C. 1375(a))

##### Sec. 603 Identification by Marketing Certificate

A marketing certificate (form Wheat 511-A), properly executed by the county committee and the producer to whom it is issued, shall, when delivered to the buyer by the producer, be evidence that the amount of wheat shown thereon may be purchased without the payment of any penalty by him and that such wheat is not subject to the lien for penalty. (Sec. 375(a), 52 Stat. 66, 7 U. S. C. 1375(a))

##### Sec. 604 Identification by Intermediate Buyer's Record and Report

The original and copy of an intermediate buyer's record and report (form Wheat 521), properly executed by the first intermediate buyer and the producer of the wheat and any subsequent buyer in the manner outlined in Sec. 801 (d) and 802, shall be evidence to any buyer that the wheat covered thereby is not subject to the lien for penalty and may be purchased by him without payment of any penalty in the event either (1) the form Wheat 521 shows the serial number of the marketing card or certificate by which the wheat was identified and the signatures of the producer and intermediate buyer, or (2) the original form Wheat 521 bears the endorsement "Penalty satisfied" and the signature and title of a treasurer of a county committee and the date thereof. (Sec. 375(a), 52 Stat. 66, 7 U. S. C. 1375(a))

##### Sec. 605 Wheat Identified as Subject to the Penalty and Lien for the Penalty

All wheat marketed by a producer or by an intermediate buyer which is not identified in the manner prescribed in Sec. 602 or Sec. 603 or Sec. 604 shall be taken by the buyer thereof as wheat subject to penalty and the lien for the penalty and the buyer of such wheat shall pay the penalty thereon at the rate prescribed in Sec. 701. (Sec. 375(a), 52 Stat. 66, 7 U. S. C. 1375(a))

PART VII. PENALTY

Sec. 701 Rate of Penalty

The rate of penalty is 50 percent of the basic rate of the loan on wheat for co-operators for the marketing year, as provided under section 302 of the Act and paragraph 10 of Public Law No. 74, as amended. (par 2)

Sec. 702 Lien for Penalty

The entire amount of wheat produced in 1942 on any farm for which a farm marketing excess is determined shall be subject to a lien in favor of the United States for the amount of the penalty until the producers on the farm store the farm marketing excess or deliver it to the Secretary of Agriculture or until the amount of the penalty is paid. (par. 4)

Sec. 703 Payment of Penalties by Producers

(a) Producers liable for payment of penalties. - Each producer having an interest in the wheat produced in 1942 on any farm for which a farm marketing excess is determined shall be liable to pay the amount of the penalty on the farm marketing excess. The amount of the penalty which any producer shall pay shall nevertheless be reduced by the amount of the penalty which is paid by another producer or a buyer of wheat produced on the farm.

(b) Time when penalties become due. - The farm marketing excess for any farm shall be regarded as available for marketing and the penalty thereon shall become due at the time any wheat produced on the farm is harvested. The amount of the penalty on the farm marketing excess for any farm shall be remitted not later than 60 calendar days after the date on which the threshing of wheat is normally substantially completed in the county in which the farm is situated, as determined by the State committee in accordance with Sec. 405 (a), provided, however, that the penalty on that amount of the farm marketing excess delivered to the Secretary of Agriculture pursuant to Sec. 709 shall not be remitted, and provided further that the penalty on that amount of the farm marketing excess which is stored pursuant to Sec. 708 shall not be remitted until the time, and to the extent, of any depletion in the amount of wheat so stored not authorized as provided in Sec. 708 (g).

(c) Apportionment of the penalty. - The county committee may, upon application of any producer made prior to the expiration of the time allowed for the remittance of the penalty on the farm marketing excess, determine his proportionate share of the penalty on the farm marketing excess if, pursuant to the application, the producer establishes the facts that he is unable to arrange with the other producers on the farm for the payment of the penalty on the entire farm marketing excess or for the disposition of the farm marketing excess in accordance with Sec. 708 or Sec. 709 and that his share of the wheat crop produced on the farm is marketed or disposed of by him separately and that he exercises no control over the marketing or disposition of the shares of the other producers in the wheat crop. The producer's proportionate share of the penalty on the farm marketing excess shall be that proportion of the entire penalty on the farm marketing excess which his share in the wheat produced in 1942 on the farm bears to the total amount of wheat produced in 1942 on the farm. When the producer pays his proportionate share of the penalty or, in accordance with Sec. 708 or Sec. 709, stores or delivers to the Secretary of Agriculture the number of

bushels required to postpone or avoid the payment of the penalty on his proportionate share, he shall not be liable for the remainder of the penalty on the farm marketing excess and he shall be entitled to receive marketing certificates, issued in accordance with Sec. 502, to be used by him only in the marketing of his proportionate share of the wheat crop produced in 1942 on the farm. (Sec. 375(b), 52 Stat. 66, 7 U. S. S. 1375 (b); par. 2, 3)

Sec. 704 Payment of Penalties by Buyers

(a) Buyers liable for payment of penalties. - Each person within the United States who buys from the producer any wheat subject to the lien for the penalty shall be liable for and shall pay the penalty thereon. Wheat shall be taken as subject to the lien for the penalty unless the producer presents to the buyer a marketing card form (MQ-656-Wheat) or a marketing certificate (form Wheat 511-A) as prescribed in Sec. 602 and 603.

(b) Payment of penalties on account of the lien for the penalty. - Each person within the United States who buys wheat which is subject to the lien for the penalty shall pay the amount of the penalty on each bushel thereof in satisfaction of the lien thereon. Wheat purchased from any intermediate buyer shall be taken as subject to the lien for the penalty unless, at the time of sale, the intermediate buyer delivers to the purchaser the original and a copy of an intermediate buyer's record and report, form Wheat 521, properly executed by the producer of the wheat and the first intermediate buyer, which show (1) the serial number of the marketing card or marketing certificate by which the wheat covered thereby was identified when marketed, or (2) on the reverse side the statement "Penalty satisfied" and the signature and title of a treasurer of a county committee and the date thereof.

(c) Time when penalties become due. - The penalty to be paid by any buyer pursuant to paragraph (a) or (b) shall be due at the time the wheat is purchased and shall be remitted not later than 15 calendar days thereafter.

(d) Manner of deducting penalties and issuance of receipts. - The buyer may deduct from the price paid for any wheat an amount equivalent to the amount of the penalty to be paid by the buyer pursuant to paragraph (a) or (b). Any buyer who deducts an amount equivalent to the penalty shall issue to the person from whom the wheat was purchased a receipt for the amount so deducted which shall be, in the case of wheat purchased from the producer by an intermediate buyer, on form Wheat 521, and, in all other cases, on form Wheat 512. (Sec. 375(b), 52 Stat. 66, 7 U. S. C. 1375(b); Par. 8)

Sec. 705 Remittance of Penalties to the Treasurer of the County Committee

The treasurer of any county committee, for and on behalf of the Secretary of Agriculture shall receive the penalty and issue to the person remitting the penalty a receipt therefor. The penalty shall be remitted only in legal tender, or by check, draft, or money order drawn payable to the order of the Treasurer of the United States. All checks, drafts, or money orders tendered in payment of the penalty shall be received by the treasurer of the county committee subject to collection and payment at par and the receipt, form Wheat 517, issued in connection therewith shall bear a notation to that effect and a description of the check, draft, or money order. If the penalty is remitted by an intermediate buyer, the treasurer of the county committee shall, in addition to issuing a receipt therefor on form Wheat 517, show that the penalty is paid by entering on the reverse side of the original

and first copy of the intermediate buyer's record and report, form Wheat 521, the statement "Penalty satisfied" and his signature and title and the date thereof. (Sec. 372 (b), 52 Stat. 65, 7 U. S. C. 1372)

Sec. 706 Deposit of Funds

All funds received by the treasurer of the county committee in connection with penalties for wheat shall be scheduled and transmitted by him on the day received or not later than the morning of the next succeeding business day, to the State committee, which shall cause such funds to be deposited to the credit of a special deposit account with the Treasurer of the United States in the name of the Chief Disbursing Officer of the Treasury Department (herein referred to as "special deposit account") to be held in escrow. In the event the funds so received are in the form of cash, the treasurer of the county committee shall purchase a postal money order in the amount thereof, payable to the order of the Treasurer of the United States. The expense incurred by the treasurer of the county committee in purchasing postal money orders shall be paid by him in accordance with applicable procedure from the funds provided for the administrative expenses of the county agricultural conservation association. The treasurer of the county committee shall make and keep a record of each amount received by him, showing the name of the person who remitted the funds the identification of the farm or farms in connection with which the funds were received, and the names of the person who marketed the wheat in connection with which the funds were remitted. (Sec. 372(b), 52 Stat. 65, 7 U. S. C. 1372 (b))

Sec. 707 Refunds of Money in Excess of the Penalty

(a) Determination of refunds. - The county committee and the treasurer of the county committee upon their own motion or upon the request of any interested person shall review the amount of money received in connection with the penalty for any farm to determine for each producer the amount thereof, if any, which is in excess of the security required for stored excess wheat and the penalty incurred. The excess amount shall be refunded. Any refund shall be made only to persons who bore the burden of the payment and who have not been reimbursed therefor. The excess amount shall first be applied, insofar as the sum will permit, so as to make refunds to eligible persons other than producers and the remainder, if any, shall be applied so as to make refunds to the eligible producers. The amount to be refunded to each producer shall be either (1) the amount determined by apportioning the excess amount among the producers on the farm in the proportion that each contributed toward the payment or avoidance of or security of the penalty on the farm marketing excess or (2) the amount which is in excess of the security required for stored excess wheat and the penalty incurred on that portion of the farm marketing excess for which the producer is separately liable. No refund shall be made to any buyer or transferee of any amount which he collected from the producer or another, deducted from the price or consideration paid for the wheat, or for which he was liable.

(b) Certification of refunds. - One member of the county committee, acting for the committee, and the treasurer of the county committee shall notify the State committee of the amount which the county committee and its treasurer determine may be refunded to each person with respect to the farm, and the State committee shall cause to be certified to the Chief Disbursing Officer of the Treasury Department for payment such amounts as are approved by it. No refund of money shall be certified under this section unless the money has been

remitteed to the treasurer of the county committee and transmitted by him to the State committee but has not been covered into the general fund of the Treasury of the United States. (Sec. 372(b), 52 Stat. 65, 7 U. S. C. 1372(b))

Sec. 708 Stored Farm Marketing Excess

(a) Amount of wheat to be stored. - The number of bushels of wheat in connection with any farm which may be stored in order to postpone the payment of the penalty or with a view to avoiding such penalty shall be that portion of the farm marketing excess which has not been delivered to the Secretary of Agriculture. The amount of the farm marketing excess for the purpose of storage shall be the amount of the farm marketing excess as determined, at the time of storage, under Sec. 403, 405, or 904, whichever is applicable.

(b) Storage of excess wheat. - Stored excess wheat shall be kept in a place adapted to the storage of wheat. The wheat so stored shall be subject to the condition that it may be inspected at any time by officers or employees of the United States Department of Agriculture or members, officers, or employees of the State or county committees.

(c) Deposit of warehouse receipts in escrow. - The storage of wheat in an elevator or warehouse in order to postpone the payment of the penalty or with a view to avoiding such penalty shall, except as provided in paragraphs (d) or (e) of this section, be effective when a warehouse receipt covering the amount of wheat so stored is deposited with the treasurer of the county committee to be held in escrow. The warehouse receipt shall be a negotiable receipt or a non-negotiable receipt as to which the warehouseman or elevator operator is notified in writing by the owner of such receipt and the treasurer of the county committee that it is being so deposited in escrow and that delivery of the wheat covered thereby is to be made only under the terms of its deposit in escrow while such receipt remains so deposited. Any warehouse receipt so deposited shall be accepted only upon the condition that the producers by or for whom the wheat is stored shall be and shall remain liable for all charges incident to the storage of the wheat and that the county committee and the United States in no way be responsible for or pay any such charges. Whenever the penalty with respect to wheat covered by warehouse receipt is paid or satisfied from any cause, the warehouse receipt shall be returned to the person who deposited it.

(d) Bond of indemnity. - The storage of excess wheat in order to postpone the payment of the penalty or with a view to avoiding such penalty shall also be effective when a good and sufficient bond of indemnity on a form prescribed for this purpose is executed and filed with the treasurer of the county committee in an amount not less than the amount of the penalty on that portion of the farm marketing excess so stored. Each bond given pursuant to this paragraph shall be executed as principal by the producer storing the wheat and either (1) as sureties by two persons, each owning real property (other than such owner or operator or producers) situated within the county with an unencumbered value of double the principal sum of the bond, or (2) as surety by a corporate surety authorized to do business in the State in which the farm is situated and holding a certificate of authority from the Secretary of the Treasury of the United States to act as an accepted surety on bonds in favor of the United States. Each bond of indemnity shall be subject to the conditions that the penalty on the amount of wheat stored shall be paid at the time, and to the extent, of any depletion of the amount stored which is not authorized under paragraph (g) and that if at any time any producers on the farm prevent the inspection of any wheat so stored the

penalty on the entire amount stored shall be paid forthwith. Whenever the penalties secured by the bond of indemnity are paid or reduced from any cause, the treasurer of the county committee shall furnish the principal and the sureties with a written statement to that effect. A bond shall not otherwise be canceled or released.

(e) Deposit of funds in escrow. - The storage of wheat in order to postpone the payment of the penalty or with a view to avoiding such penalty shall also be effective when an amount of money not less than the penalty on that portion of the farm marketing excess so stored is deposited with the Treasurer of the United States to be held in escrow to secure the payment of such penalty. The treasurer of the county committee shall issue a receipt to the person who tenders such funds which shall be received subject to collection and payment at par. Funds in escrow shall be subject to the condition that the penalty on the amount of wheat stored shall be paid at the time, and to the extent, of any depletion of the amount stored which is not authorized under paragraph (g) and that if at any time any producer on the farm prevents inspection of any wheat so stored, the penalty on the entire amount stored shall be paid forthwith.

(f) Time of storage. - Storage of wheat in connection with any farm in order to postpone the payment of the penalty or with a view to avoiding such penalty shall not be effective unless the provisions of paragraphs (a) and (b) and (c), (d), or (e) of this section are complied with prior to the expiration of the period allowed, in accordance with Sec. 703 (b), for the remittance of the penalty with respect to the farm marketing excess for the farm.

(g) Depletion of stored excess wheat. - The penalty on the amount of excess wheat stored shall be paid by the producers on the farm at the time and to the extent of any depletion in the amount of wheat stored except as provided in paragraphs (h) and (i) of this section and except to the extent of the following: (1) the amount by which the stored excess wheat exceeds the farm marketing excess for the farm as determined in accordance with Sec. 403, 405, or 904, (2) the amount by which the stored excess wheat exceeds the amount of the farm marketing excess as determined by a review committee or as a result of a court review of the determination of the review committee, and (3) the amount of any wheat destroyed by fire, weather conditions, insect infestation, or any other cause beyond the control of the producer, provided the producer shows beyond a reasonable doubt that the depletion resulted from such cause and not from his negligence nor from any affirmative act done or caused to be done by him.

(h) Underplanting the farm acreage allotment for a subsequent crop. - Whenever the acreage planted to wheat on any farm for the 1943 or subsequent crop of wheat is less than the farm acreage allotment therefor, the producers on the farm who stored excess wheat in accordance with the foregoing provisions of this section shall, upon application made by them to the county committee, be entitled to remove from storage without penalty any wheat so stored by them, whether produced in a prior year on the farm or another farm, to the extent of the normal production of the number of acres by which the acreage planted to wheat is less than the farm acreage allotment. The amount of wheat which would otherwise be authorized to be removed from storage in connection with the farm under this paragraph shall be reduced to the extent that stored excess wheat from any other crop is authorized to be removed from storage in connection with the farm. The amount of wheat authorized to be removed from storage shall be apportioned among the several producers on the farm who have

stored excess wheat to the extent of their need therefor in accordance with their shares in the acreage which was or could have been planted to wheat or in accordance with their agreement as to the apportionment to be made. A producer shall not be entitled to remove wheat from storage under this paragraph in connection with any farm unless, at the time the determination is made under this paragraph, the wheat is stored and owned by the producer and, at the end of the wheat seeding season for the crop for the area in which the farm is situated, the producer is entitled to share in the wheat crop which was or could have been planted on the farm. The acreage planted to wheat for the purpose of this paragraph shall be the acreage planted to wheat, plus the acreage of volunteer wheat, classified as an acreage of wheat for the crop in accordance with the instructions of the Administrator.

(i) Producing a subsequent crop which is less than the normal production of the farm acreage allotment. - Whenever the actual production of wheat in 1943 or any subsequent year on any farm is less than the normal production of the farm acreage allotment therefor, the producers on the farm who stored excess wheat in accordance with the foregoing provisions of this section shall, upon application made by them to the county committee, be entitled to remove from storage, without penalty, any wheat so stored by them, whether produced in the prior year on the farm or another farm, to the extent of the amount by which the normal production of the farm acreage allotment, less the normal production of the underplanted acreage for the farm which was or could have been determined under paragraph (h), exceeds the amount of wheat produced on the farm in that year. The amount of wheat which would otherwise be authorized to be removed from storage in connection with the farm under the paragraph shall be reduced to the extent that stored excess wheat from any other crop is authorized to be removed from storage in connection with the farm. The amount of wheat which is authorized to be removed from storage shall be apportioned among the several producers on the farm who have stored excess wheat to the extent of their need therefor in accordance with their proportionate shares in the wheat crop planted on the farm or in accordance with their agreement as to the apportionment to be made. The determination of the amount of wheat produced on the farm shall be made in accordance with the marketing quota regulations applicable to the crop. A producer shall not be entitled to remove wheat from storage under this paragraph for any farm unless, at the time the determination is made under this paragraph, the wheat is stored and owned by the producer and, at the time of harvest, the producer is entitled to a share in the wheat crop planted on the farm. (Sec. 326(b), 52 Stat. 51, 7 U. S. C. 1326(b); Par. 3, 5, 6)

Sec. 709 Delivery of the Farm Marketing Excess to the Secretary of Agriculture

(a) Amount of wheat to be delivered. - The amount of wheat delivered to the Secretary of Agriculture in order to avoid the payment of the penalty in connection with any farm shall not exceed the amount of the farm marketing excess as determined, at the time of delivery, in accordance with Sec. 403, 405, 904, whichever is applicable.

(b) Conditions and methods of delivery. - For and on behalf of the Secretary of Agriculture, the treasurer of the county committee for the county in which the farm for which the farm marketing excess is determined is situated shall accept the delivery of any wheat tendered to avoid the payment of the penalty. The delivery of the wheat for this purpose shall be effective only when the producers having an interest in the wheat to be so delivered convey to the Secretary of Agriculture all right, title, and interest in and to the wheat by executing a form provided for this purpose in accordance with instructions

issued by the Administrator and (1) deliver the wheat to a wheat elevator or warehouse and tender to the treasurer of the county committee the elevator or warehouse receipts for the amount of the wheat, or (2) where the producer shows to the satisfaction of the county committee that it is impracticable to deliver the wheat to an elevator or warehouse and receive an elevator or warehouse receipt therefor, deliver the wheat at a point within the county or nearby and within such time or times as may be designated by the county committee in accordance with instructions issued by the Administrator. None of the wheat so delivered shall be returned to the producer. Insofar as practicable, the wheat so delivered shall be delivered to the Commodity Credit Corporation of the United States Department of Agriculture, and any wheat which it is impracticable to deliver to such Corporation shall be distributed to such one or more of the following classes of agencies or organizations as the State committee selects, which delivery the Secretary of Agriculture hereby determines will divert it from the normal channels of trade and commerce: Farm Security Administration for use of its needy grant clients, any other Federal relief organization, the American Red Cross, State or county or municipal relief organization, or Federal or State wildlife refuge project. (Par. 3)

Sec. 710 Refund of Penalty Erroneously, Illegally, or Wrongfully Collected

Whenever, pursuant to a claim filed with the Secretary of Agriculture within the time prescribed by law after payment to him of the penalty collected from any person, the Secretary of Agriculture finds that the penalty was erroneously, illegally, or wrongfully collected, he shall certify to the Secretary of the Treasury of the United States for payment to the claimant, in accordance with regulations prescribed by the Secretary of the Treasury of the United States, such amount as the claimant is entitled to receive as a refund of all or a portion of the penalty. Any claim filed pursuant to this section shall be made in accordance with regulations prescribed by the Secretary of Agriculture. (Sec. 372 (c), 52 Stat. 65, 204, 54 Stat. 728, 7 U.S.C. 1372 (c))

Sec. 711 Report of Violations and Court Proceedings to Collect Penalty

It shall be the duty of the county committee to report in writing to the State committee each case of failure or refusal to pay the penalty or to remit the same as provided in these regulations to the Secretary of Agriculture when collected. It shall be the duty of the State committee to report each such case in writing to the United States Department of Agriculture with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to collect the penalties, as provided in section 376 of the Act. (Sec. 376, 52 Stat. 66, 7 U.S.C. 1376)

PART VIII. RECORDS AND REPORTS

Sec. 801 Records to be Kept and Reports to be Made by Warehousemen, Elevator Operators, Feeders, or Other Processors, and Buyers Other Than Intermediate Buyers

(a) Necessity for records and reports. - Each warehouseman, elevator operator, feeder, or other processor, and each buyer other than an intermediate buyer, who buys, acquires, or receives wheat from the producer or intermediate buyer thereof shall, in conformity with section 373 (a) of the Act, keep the records and make the reports prescribed

by this section, which the Secretary of Agriculture hereby finds to be necessary to enable him to carry out with respect to wheat the provisions of the Act.

(b) Nature and availability of records. - Each warehouseman, elevator operator, feeder, or other processor, and each buyer other than an intermediate buyer, shall keep, as a part of or in addition to the records maintained by him in the conduct of his business, a record which shall show with respect to the wheat purchased, acquired, or received by him from the producers or the intermediate buyers thereof the following information: (1) the name and address of the producer of the wheat, (2) the date of the transaction, (3) the amount of the wheat, (4) the serial number of the marketing card (form MQ-656-Wheat), or marketing certificate (form Wheat 511-A), or intermediate buyer's record and report (form Wheat 521), by which the wheat was identified, or the report and penalty receipt (form Wheat 512), and (5) the amount of any lien for the penalty or of any penalty incurred in connection with the wheat purchased, acquired, or received by him. The record so made shall be kept available for examination by the Secretary of Agriculture or his authorized representatives, and by members of the State or county committees or their officers or employees, for two calendar years beyond the calendar year in which the marketing year ends. The records shall be examined only for the purpose of ascertaining the correctness of any report made or record kept pursuant to these regulations, or of obtaining the information required to be furnished in any report pursuant to these regulations but not so furnished. The county committee shall furnish, without cost, blank copies of forms Wheat 520 which may be used for the purpose of keeping the record required under this section.

(c) Records and reports in connection with wheat subject to penalty or the lien for the penalty. - Each warehouseman, elevator operator, feeder, or other processor, and each buyer other than an intermediate buyer who purchases any wheat from the producer or intermediate buyer thereof which is not identified at the time the wheat is purchased in the manner provided in Sec. 602, 603, and 604, shall, with respect to each such transaction, execute the report and penalty receipt on form Wheat 512 and report to the treasurer of the county committee the following information: (1) the name and address of the producer or intermediate buyer from whom the wheat was purchased or acquired, (2) the date of the transaction, (3) the amount of the wheat, and (4) the amount of the penalty incurred in connection with the transaction, and whether an amount equivalent to the penalty was deducted from the price or consideration paid for the wheat. Each record and report on form Wheat 512 shall be executed in triplicate. The person who executes form Wheat 512 shall retain one copy, give the original to the producer or intermediate buyer, as the case may be, and mail or deliver the remaining copy to the treasurer of the county committee. The original of form Wheat 512 given to the producer or intermediate buyer, as the case may be, shall be the receipt to him for the amount of the penalty in connection with the wheat. It shall be presumed that wheat was not identified by forms MQ-656-Wheat, as provided in Sec. 602, or Wheat 511-A, as provided in Sec. 603, or Wheat 521, as provided in Sec. 604, if the serial number of the marketing card or marketing certificate or intermediate buyer's record and report does not appear on the records required to be kept pursuant to paragraph (b).

(d) Records and reports in connection with wheat identified by intermediate buyer's records and reports. - Whenever wheat is identified by the intermediate buyer's record and report (form Wheat 521), executed in accordance with Sec. 802, the warehouseman, elevator operator, feeder, or other processor, or the buyer other than an intermediate buyer, who purchases or acquires the wheat covered thereby shall retain the first copy as a record of

the transaction and forward the original to the treasurer of the county committee as a report on the transaction in every case where he purchases or acquires all or the remainder of the wheat covered by the record and report. In all other cases, where the warehouseman, elevator operator, feeder, or other processor, or the buyer other than an intermediate buyer, purchases or acquires only a portion of the wheat covered by the intermediate buyer's record and report, he shall make a record and report of the transaction by endorsing on the reverse side of both the original and first copy his name and signature, the amount of wheat purchased or acquired, and the date of the transaction and return the forms so endorsed to the intermediate buyer to be delivered to the person who finally purchases or acquires the remainder of the wheat.

(e) Records in connection with wheat identified by marketing certificates. - Whenever wheat is identified by a marketing certificate (form Wheat 511-A), the warehouseman, elevator operator, feeder, or other processor, or the buyer other than an intermediate buyer, who purchases the wheat so identified shall retain the original of the marketing certificate as a record of the transaction.

(f) Time and place of submitting reports. - Each report required by this section shall be submitted, not later than 15 calendar days next succeeding the day on which the wheat was marketed to a warehouseman, elevator operator, feeder, or other processor, or a buyer other than an intermediate buyer, to the treasurer of the county committee for the county in which the wheat was so marketed, or if there is no county committee, to the State committee for the State in which the wheat was so marketed. (Sec. 373 (a), 52 Stat. 65, 54 Stat. 394, 55 Stat. 88, 7 U. S. C. 1375 (a))

Sec. 802 Records to be Kept and Reports to be Made by Intermediate Buyers

(a) Necessity for records and reports. - Each intermediate buyer shall, in conformity with section 373 (a) of the Act, keep the records and make the reports prescribed by this section, which the Secretary of Agriculture hereby finds to be necessary to enable him to carry out with respect to wheat the provisions of the Act.

(b) Form of record and report in connection with wheat purchased or acquired from producers. - Each intermediate buyer who purchases or acquires any wheat from the producer thereof shall, with respect to each such transaction, keep a record and make a report on the intermediate buyer's record and report (form Wheat 521) of the following information: (1) the name and address of the producer from whom the wheat was purchased or acquired, (2) the date of the transaction, (3) the names of the county and State in which the wheat was produced, (4) the amount of the wheat, and (5) the serial number of the marketing card or marketing certificate by which the producer identified the wheat at the time it was marketed, or if the wheat is not so identified, the amount of the penalty, and whether an amount equivalent to the penalty was collected or deducted from the price or consideration paid for the wheat. The record and report shall be executed in quadruplicate and, after the entries described above are made, the intermediate buyer and producer shall certify to the correctness of the entries by signing the certificate thereon. One copy of form Wheat 521 so executed shall be retained by the producer as a record of the transaction and as a receipt for the amount equivalent to the penalty, if any, which was deducted from the price or consideration paid for the wheat. One copy of form Wheat 521 so executed shall be retained by the intermediate buyer as his record in connection with the transaction.

Whenever wheat is identified by a marketing certificate, the intermediate buyer shall attach the original of the marketing certificate to the first copy of form Wheat 521 to be delivered to the warehouseman, elevator operator, feeder, or other processor, or buyer other than an intermediate buyer, who finally acquires the wheat covered by the form Wheat 521 and marketing certificate. Whenever the intermediate buyer markets or delivers a portion of the wheat covered by a single form Wheat 521 to another and retains a portion of the wheat, the intermediate buyer shall obtain from the person to whom the portion of the wheat is marketed or delivered an endorsement on the reverse side of both the original and first copy of form Wheat 521 showing the name and signature of the person, the number of bushels of wheat marketed or delivered to him, and the date of the transaction.

(c) Manner of making reports. - The intermediate buyer shall deliver the original and copy of the intermediate buyer's record and report (form Wheat 521) to the warehousemen, elevator operator, feeder, or other processor, or the buyer other than an intermediate buyer, to whom all or the remainder of the wheat covered thereby is marketed. When wheat is marketed or delivered by one intermediate buyer to another intermediate buyer, the original and first copy of form Wheat 521 shall be transmitted by one intermediate buyer to another and the last intermediate buyer shall deliver them to the warehouseman, elevator operator, feeder, or other processor, or buyer other than an intermediate buyer. If all or the remainder of the wheat is not marketed or delivered to a warehouseman, elevator operator, feeder, or other processor, or buyer other than an intermediate buyer, the last intermediate buyer shall within 15 days mail or deliver the original and first copy of the intermediate buyer's record and report to the treasurer of the county committee.

(d) Reports to the treasurer of the county committee. - Each intermediate buyer shall, within 15 days after all forms Wheat 521 contained in a book have been executed on December 31, 1942, whichever is the earlier, mail or deliver to the treasurer of the county committee from whom the book was obtained the executed copies and unexecuted sets of form Wheat 521 which were retained by him. (Sec. 373 (a), 52 Stat. 65, 54 Stat. 394, 55 Stat. 88, 7 U.S.C.

1373 ( a ) )

#### Sec. 803 Buyer's Special Reports

In the event that the county committee or State committee has reason to believe that any buyer has failed or refused to comply with these regulations, the buyer shall within 15 days after a written request therefor made by the county committee or State committee and deposited in the United States mails, registered and addressed to him at his last-known address, make a report, verified as true and correct by affidavit, on form Wheat 520 to such committee with respect to all wheat purchased or acquired by him from the person or persons specified in the request or purchased or acquired by him during the period of time as specified in the request. The report shall include the following information for each lot of wheat purchased or acquired from the persons specified or during the period specified: (1) the name and address of the producer of the wheat, (2) the date of the transaction, (3) the amount of the wheat, (4) the serial number of the marketing card (form MQ-656-Wheat), marketing certificate (form Wheat 511-A), or intermediate buyer's record and report (form Wheat 521), or the report and penalty receipt (form Wheat 512), and (5) the amount of the lien for the penalty or the amount of penalty incurred in connection with the wheat purchased or acquired. (Sec. 373 (a), 52 Stat. 65, 54 Stat. 394, 55 Stat. 88, 7 U. S. C. 1373 (a))

Sec. 804 Penalty for Failure or Refusal to Keep Records and Make Reports

Any person required to keep the records or make the reports specified in Sec. 801, 802, or 803 and who fails to keep any such record or make any such report or who makes any false report or keeps any false record shall, as provided in section 373 (a) of the Act, be deemed guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not more than \$500 for each such offense. (Sec. 373 (a), 52 Stat. 65, 54 Stat. 394, 55 Stat. 88, 7 U.S.C. 1373 (a))

Sec. 805 Records to be Kept and Reports to be Made by Producers

Each person who in 1942 harvests wheat which is subject to the provisions of these regulations shall, in conformity with section 373 (b) of the Act, keep the records and make the reports prescribed by this section, which the Secretary of Agriculture hereby finds to be necessary to enable him to carry out with respect to wheat the provisions of the Act. The operator of the farm in connection with which a farm marketing excess is determined and in connection with which producers are ineligible to receive marketing cards or marketing certificates under Sec. 501 or 904 shall file with the treasurer of the county committee for the county in which the farm is situated a farm operator's report on form Wheat 519 showing for the farm the following information: (1) total number of bushels of wheat produced thereon in 1942, (2) the name and address of each buyer or transferee of any wheat, (3) the amount of the wheat marketed to him, (4) the amount equivalent to the penalty which was deducted from the price or consideration for the wheat, (5) the amount of unmarketed wheat of the 1942 crop on hand, and (6) the acreage of wheat. The report in connection with any such farm shall be made not later than 60 days after the date, as determined by the county committee and the State committee, in accordance with Sec. 405 (a), on which the threshing of the wheat is normally substantially completed for the county in which the farm is situated. Upon the request of the county committee, the operator of any other farm shall make a similar report within 15 days after the request therefor is made. (Sec. 373 (b), 52 Stat. 65, 55 Stat. 88, 7 U.S.C. 1373 (b))

Sec. 806 Data to be Kept Confidential

Except as otherwise provided herein, all data reported to or acquired by the Secretary of Agriculture pursuant to and in the manner provided in these regulations shall be kept confidential by all officers and employees of the United States Department of Agriculture, members of county committees, other local committees, and State committees, county agents, and officers and employees of such committees or county agents' offices, and shall not be disclosed to anyone not having an interest in or responsibility for any wheat, farm, or transaction covered by the particular data, such as records, reports, forms, or other information, and only such data so reported or acquired as the Secretary of Agriculture deems relevant shall be disclosed by them to anyone not having such an interest or not being employed in the administration of the Act and then only in a suit or administrative hearing under Title III of the Act. (Sec. 373 (c), 52 Stat. 65, 7 U.S.C. 1373 (c))

Sec. 807 Enforcement

It shall be the duty of the county committee to report in writing to the State committee forthwith each case of failure or refusal to make any report or keep any record as required by these regulations and each case of making any false report or record. It shall

be the duty of the State committee to report each such case in writing to the United States Department of Agriculture with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to enforce the provisions of Title III of the Act. (Sec. 376, 52 Stat. 66, 7 U.S.C. 1376)

#### PART IX. SPECIAL PROVISIONS AND EXEMPTIONS

##### Sec. 901 Farms on Which the Acreage Planted is Not in Excess of 15 Acres

(a) Conditions of exemption. - A farm marketing quota for wheat for the 1942 crop shall not be applicable to any farm on which the acreage of wheat planted for the 1942 crop (plus any acreage of volunteer wheat which reaches maturity) is not in excess of 15 acres.

(b) Issuing marketing cards. - The county committee shall, for each farm to which the provisions of this section are applicable, issue marketing cards and marketing certificates to the producers on the farm in the manner and subject to the conditions specified in Sec. 501 to 504 inclusive. (Sec. 375 (a), 52 Stat. 66, 55 Stat. 88, 7 U.S.C. 1375 (a); Par. 7)

##### Sec. 902 Farms on Which the Normal Production of the Acreage Planted is Less than 200 Bushels.

(a) Conditions of exemption. - A farm marketing quota for wheat of the 1942 crop shall not be applicable to any farm on which the normal production of the acreage planted to wheat of the 1942 crop (plus any acreage of volunteer wheat which reaches maturity) is less than 200 bushels.

(b) Issuing marketing cards. - The county committee shall, for each farm to which the provisions of this section are applicable, issue marketing cards and marketing certificates to the producers on the farm in the manner and subject to the conditions specified in Sec. 501 to 504, inclusive. (Sec. 335 (d), 375 (a), 52 Stat. 55, 66, 54, Stat. 232, 55 Stat. 88, 7 U.S.C. 1335 (d), 1375 (a))

##### Sec. 903 Experimental Wheat Farms

(a) Conditions of exemption. - The penalty shall not apply to the marketing of any wheat of the 1942 crop grown for experimental purposes only by any publicly owned agricultural experiment station.

(b) Issuing marketing cards. - The county committee shall, upon the written application of a responsible executive officer of any publicly owned agricultural experiment station to which the exemption referred to in paragraph (a) is applicable, issue a marketing card for the experiment station in the manner and subject to the conditions specified in Sec. 501 to 504, inclusive. (Sec. 372 (d), 375 (a), 52 Stat. 65, 66, 204, 55 Stat. 88, 7 U.S.C. 1372 (d), 1375 (a))

##### Sec. 904 Non-allotment Farms

(a) Amount of farm marketing excess where measurements are made. - The farm marketing excess for any non-allotment farm to which a farm marketing quota is applicable shall

be the normal production of the acreage of wheat on the farm in excess of 15 acres or the farm acreage allotment therefor, whichever is the larger. Where, upon application of the producer, the amount of wheat produced in 1942 on the farm is established by the producer, the farm marketing excess shall be adjusted downward to the smaller of the following: (i) the actual production of the excess acreage or (ii) the amount by which the number of bushels of wheat produced in 1942 on the farm exceeds the normal production of the farm acreage allotment. The provisions of Sec. 405 shall be applicable to the adjustment of the farm marketing excess. Until the acreage of wheat harvested for any non-allotment farm is determined, the acreage of wheat therefor shall be the same as in the case of an allotment farm.

(b) Amount of farm marketing excess where measurements cannot be made. - Whenever the determination of the acreage of wheat for any non-allotment farm is prevented by the producer, the farm marketing excess shall be the total number of bushels of wheat produced in 1942 on the farm. In the event the producer establishes, in accordance with Sec. 405, the total number of bushels of wheat produced in 1942 on the farm, the farm marketing excess shall be the number of bushels of wheat produced in 1942 on the farm in excess of the normal production of the farm acreage allotment therefor.

(c) Issuing marketing cards. - The county committee shall, for each non-allotment farm to which the provisions of this section are applicable, issue marketing cards and marketing certificates to the producers on the farm in the manner and subject to the conditions specified in Sec. 501 to 504, inclusive. (Sec. 362, 375 (a), 52 Stat. 62, 66, 55 Stat. 88, 7 U.S.C. 1362, 1375 (a); Par. 7)

Sec. 905 Non-allotment Farms on Which the Acreage of Wheat Harvested Does Not Exceed 3 Acres Per Family

(a) Conditions of exemption. - The penalty shall not apply to wheat produced in 1942 on any non-allotment farm to which a farm marketing quota is applicable and on which the acreage of wheat harvested in 1942 is in excess of 15 acres or the farm acreage allotment therefor, whichever is the larger, provided the acreage of wheat harvested thereon in 1942 is not in excess of 3 acres for each farm family living on the farm and having an interest as a wheat producer in the wheat crop grown thereon, and provided further, no wheat produced in 1942 on the farm is marketed by sale. The provisions of this section shall be applicable only to non-allotment farms situated in the East Central Region and any State in the Southern Region except the States of Texas and Oklahoma.

(b) Marketing cards. - A marketing card or marketing certificate shall not be issued with respect to the 1942 crop to any producer on any farm to which the exemption referred to in paragraph (a) is applicable. (Sec. 375 (a), 52 Stat. 66, 55 Stat. 88, 7 U.S.C. 1375 (a); Par. 7)

UNITED STATES DEPARTMENT OF AGRICULTURE  
 AGRICULTURAL CONSERVATION AND ADJUSTMENT ADMINISTRATION  
 AGRICULTURAL ADJUSTMENT AGENCY

REGULATIONS PERTAINING TO MARKETING QUOTAS  
 FOR PEANUTS OF THE CROP PLANTED IN  
 THE CALENDAR YEAR 1942



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REGULATIONS PERTAINING TO MARKETING QUOTAS  
FOR PEANUTS OF THE CROP PLANTED IN  
THE CALENDAR YEAR 1942

United States Department of Agriculture,  
Office of the Secretary.

Pursuant to the authority vested in the Secretary of Agriculture by Title III of the Agricultural Adjustment Act of 1938, as amended, public notice is hereby given of the following regulations governing marketing quotas for peanuts of the crop planted in the calendar year 1942, which regulations shall be in force and effect until rescinded or suspended or amended or superseded by regulations hereafter made under said Act.

Authority: Secs. 1 to 38, inclusive, issued under authority contained in 52 Stat. 38, 7 U. S. C. 1940 ed. 1301, et seq., as amended.

PART I. PROCEDURE FOR THE DETERMINATION OF ACREAGE  
ALLOTMENTS FOR 1942

Sec. 1 Definitions. As used in these regulations and in all instructions, forms, and documents in connection therewith, unless the context or subject matter otherwise requires, the following terms shall have the following meanings and the masculine shall include the feminine and the neuter genders and the singular shall include the plural number:

(1) ACT: The Agricultural Adjustment Act of 1938 and any amendments thereto.

(2) SECRETARY: The Secretary or the Acting Secretary of Agriculture of the United States.

(3) STATE COMMITTEE OR STATE OFFICE: The group of persons comprising the State Agricultural Conservation Committee appointed by the Secretary of Agriculture to assist within any State in the administration of the Soil Conservation and Domestic Allotment Act, or the office of such persons.

(4) COMMITTEE: A committee within a county or community utilized under the Soil Conservation or Domestic Allotment Act. "County committee," "community committee," or "local committee" shall have corresponding meanings in the connection in which they are used.

(5) REVIEW COMMITTEE: The review committee appointed by the Secretary of Agriculture as provided in section 363 of the Act.

(6) PERSON: An individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State or political subdivision thereof or an agency of such State or political subdivision thereof. The term "person" shall include two or more persons having a joint or common interest.

(7) OPERATOR: The person who, as owner, landlord, tenant, or sharecropper, is in charge of the supervision and conduct of the farming operations on the farm.

(8) PRODUCER: A person who, as owner, landlord, tenant, or sharecropper, is entitled to all or a share in the 1942 crop of peanuts or the proceeds thereof.

(9) BUYER: A person who buys or otherwise acquires peanuts from a producer, or a person who, as a commission merchant or broker, markets peanuts for the account of a producer and who is responsible to the producer for the amount received for the peanuts.

(10) MARKET: To dispose of peanuts, including farmers' stock peanuts, shelled peanuts, cleaned peanuts, or peanuts in processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos. The terms "marketed," "marketing", and "for market" shall have corresponding meanings to the term "market" in the connection in which they are used. The terms "barter" and "exchange" shall include the payment by the producer of any quantity of peanuts for the harvesting, picking, threshing, cleaning, or shelling of peanuts, or for any other service rendered in connection with peanuts.

(11) DESIGNATED AGENCY: An agency designated by the Secretary of Agriculture pursuant to section 359 of the Act.

(12) POUND: That amount of peanuts which, if in the condition in which unshelled peanuts are usually marketed by farmers, would equal one pound standard weight.

(13) QUOTA PEANUTS: Any peanuts which are marketed within the marketing quota for the farm on which the peanuts are produced and are so identified in accordance with these regulations.

(14) EXCESS PEANUTS: Any peanuts which are marketed in excess of the marketing quota for the farm on which the peanuts are produced, and any peanuts which are not shown to be within such farm marketing quota at the time of marketing, in accordance with these regulations.

(15) FARM: Any tract(s) of land considered as a farm under the provisions of the 1942 Agricultural Conservation Program issued pursuant to the Soil Conservation and Domestic Allotment Act.

(16) TILLABLE ACREAGE AVAILABLE FOR THE PRODUCTION OF PEANUTS:

The acreage in the farm in 1941 which was tilled or was in regular rotation minus the sum of the acreages devoted to the production of sugarcane for sugar, wheat or rice for market or feeding to livestock for market, and cotton or tobacco for market.

(17) PEANUTS: All peanuts produced on a farm, excluding any peanuts which it is established by the producer or otherwise in accordance with these regulations were not picked or threshed either before or after marketing from the farm.

(18) ACREAGE OF PEANUTS: The acreage planted to peanuts on the farm or, if it is established by the producer or otherwise that peanuts

were harvested and picked or threshed either before or after marketing from an acreage smaller than the planted acreage, such smaller acreage.

(19) ACTUAL YIELD: The number of pounds of peanuts determined by dividing the number of pounds of peanuts produced on the farm in 1942 by the 1942 acreage of peanuts on the farm.

(20) NORMAL PRODUCTION: As applied to any number of acres of peanuts means the normal yield for the farm times such number of acres.

(21) ACTUAL PRODUCTION of any number of acres of peanuts on a farm means the actual average yield for the farm times such number of acres.

Sec. 2 Rule of fractions. All acreages shall be rounded to the nearest one-tenth of an acre.

Sec. 3 Instructions and Forms. The Administrator of the Agricultural Conservation and Adjustment Administration of the United States Department of Agriculture shall cause to be prepared and issued, with his approval, such instructions and forms as may be required to carry out these regulations.

Sec. 4 Normal yield. The county committee, with the assistance of the other local committees established in the county, shall determine the normal yield per acre of peanuts for each farm on which a farm acreage allotment is established. The normal yield for peanuts for any farm for which a farm acreage allotment is determined shall be the average yield per acre of peanuts for the farm, adjusted for type of soil, production practices, general fertility of the land, and abnormal conditions, during the years 1936-1940, inclusive, except that for any county in which the years 1935-1939, inclusive, are equally as representative, such period may be used in determining normal yields for farms in the county.

Sec. 5 Determination of farm acreage allotments for 1942. The State Agricultural Conservation Committee (hereinafter referred to as the State committee) shall distribute the State acreage allotment among the counties in the State in which peanuts are grown on the basis of the average acreage in each county in the five years 1936-40 adjusted for trends in acreage and abnormal weather conditions. The State committee shall estimate the acreage in any of the five years for which data are not available. The State committee may set aside such a part of the State acreage allotment as shall be necessary, in light of the experience under previous Agricultural Programs, as a reserve for farms for which no 1941 peanut acreage allotment was determined and for the correction of errors.

The portion of the State acreage allotment made available to each county shall be allotted by the County Agricultural Conservation Committee (hereinafter referred to as the county committee), subject to the approval of the State committee, among the farms in the county on the basis of (a) tillable acreage available for the production of peanuts, (b) past acreage of peanuts on the farm, and (c) peanut acreage allotments under previous agricultural adjustment and conservation programs. Farm acreage allotments for peanuts shall be determined for all farms on which peanuts were produced in 1939, 1940, or 1941.

In determining farm acreage allotments for any farm on which peanuts were produced in 1939, 1940, or in 1941 if a 1941 peanut acreage allotment was determined for the farm, one of the following methods shall be used:

- (a) In any State in which the State committee determines that, because of increases in peanut acreage in the last five years, the tillable acreage available for the production of peanuts will provide the fairest and most equitable basis for use in determining peanut acreage allotments and distribution of the county share of the State allotment among farms in the county eligible for the allotments, the following procedure shall be used:

The State committee shall determine that part of the acreage fixed as the county's share of the State allotment which is to be apportioned to farms on the basis of the tillable acreage available for the production of peanuts. Such acreage thus to be apportioned to each farm shall be a percentage (which shall be the same percentage for all farms in the county) of the tillable acreage available for the production of peanuts on the farm: Provided, That such minimum allotment shall not exceed the simple average of three figures representing the peanut acreage on the farm in 1939 and 1940, and the 1941 peanut allotment. After such apportionment has been made, the acreage remaining in the county's share of the State allotment will constitute a reserve from which farm allotments may be increased. In making such increases due consideration shall

be given to, and such increase shall be made on the basis of, the past acreage of peanuts on the farm (disregarding acreage in excess of the 1941 allotment), the tillable acreage available for the production of peanuts, and the peanut acreage allotments established for the farm under previous agricultural adjustment and conservation programs.

- (b) In any State where the State committee determines that, because the acreage of peanuts during the last five years has been reasonably constant, the average acreage planted to peanuts in the years 1939, 1940, and 1941 (disregarding acreage in excess of the 1941 allotment) will provide the fairest and most equitable basis for use in determining the 1942 peanut acreage allotments and distribution of the county share of the State allotment among farms in the county eligible for allotments, such average acreage shall be used as the major factor in determining farm allotments. The county committee shall carefully review the data for all farms and shall determine such average acreage. The basic allotment for each farm shall be equal to the average acreage so determined, but the county committee shall make such adjustments among individual farms as will result in comparable allotments for farms which are similar with respect to the tillable acreage available for the production of peanuts and the past acreage allotments established for the farms under previous agricultural adjustment and conservation programs.
- (c) In any State where the State committee determines that the 1941 farm allotments were based on the past acreage of peanuts on the farm, tillable acreage available for the production of peanuts, and the peanut acreage allotments under previous agricultural adjustment and conservation programs, and that the 1941 allotments would provide the fairest and most equitable basis for use in determining the 1942 peanut acreage allotments, the 1941 allotments shall be used as the basis for determining 1942 allotments. The allotment for each farm shall be carefully reviewed by the county committee and such adjustments shall be made as may be necessary to reflect any material change in the tillable acreage available for the production of peanuts, trend in the past acreage of peanuts on the farm

(disregarding acreage in excess of the 1941 allotment), and change in 1941 peanut acreage allotments for the farm as compared with previous allotments.

The allotment established for each farm shall be fair and equitable as compared with the allotments established for other farms in the locality which are similar with respect to the tillable acreage available for the production of peanuts, past acreage of peanuts, and previous peanut acreage allotments. The allotments determined by the county committees shall be reviewed, and may, if necessary, be revised by the State committee in order that all allotments in the State shall be comparable with respect to these factors.

For any other farm eligible for a 1942 peanut acreage allotment on which peanuts will be grown in 1942 the county committee shall recommend to the State committee an acreage allotment, on the basis of tillable acreage available for the production of peanuts only. The peanut acreage allotment recommended for such farm shall not be in excess of one percent of the peanut acreage allotments made for other farms in the same locality with similar tillable acreage. The State committee shall determine the farm acreage allotments for such farms on the basis of the recommended allotments, but the total of all allotments for such farms shall not exceed the State reserve for such farms.

The total of the acreage allotments for the farms in any county shall not exceed the limit fixed by the State committee as the county's share of the State allotment.

Sec. 6 Reconstituted farms. (1) If land operated as a single farm in 1941 is subdivided for 1942 into two or more tracts, the 1942 peanut allotment determined for the farm as constituted in 1941 shall be apportioned among the tracts in the same proportion as the acreage of cropland suitable for the production of peanuts on each tract is of the total number of acres of cropland suitable for the production of peanuts on the farm prior to the division, unless otherwise recommended by the county committee and approved by the State committee.

(2) If two or more farms which were operated separately in 1941 are combined into a single farm for 1942, the 1942 allotment shall be the sum of the 1942 allotments for each of the farms contained in the combination.

## PART II. FARM MARKETING QUOTAS

Sec. 7 Peanuts subject to marketing quotas. Peanuts planted during the calendar year 1942 shall be subject to the marketing quotas applicable to the 1942 crop of peanuts whether marketed in 1942 or later.

Sec. 8 Farm marketing quota. (a) Amount of farm marketing quota. The farm marketing quota for any farm shall be the number of pounds of peanuts equal to the amount of the normal production or the actual production, whichever is the larger, of the farm acreage allotment.

(b) Initial farm marketing quota. Notwithstanding any other provisions of this section, the amount of the normal production of the farm acreage allotment shall be the farm marketing quota for any farm unless and until it is determined by the county committee that the actual production of the farm acreage allotment therefor is in excess of the normal production thereof. If measurements for any farm are prevented by the producer, the farm marketing quota therefor shall be the normal production of the farm acreage allotment.

(c) Farm marketing quotas based on actual production. When the actual production of the farm acreage allotment for any farm is found by the county committee to be in excess of the normal production of the farm acreage allotment, the farm marketing quota for the farm shall be adjusted upward by the amount by which the actual production of the farm acreage allotment exceeds the normal production thereof. Such adjustments shall be made as soon as practicable after the acreage of peanuts on the farm has been determined and the total production of peanuts on the farm is established from satisfactory records of the actual production presented to the county committee: Provided, That an intermediate adjustment for any farm may be made earlier upon the request of any producer on the farm to whom a marketing card is issued if it is determined by the county committee that the actual production of the acreage of peanuts harvested at the time of the request exceeds the normal production of the farm acreage allotment.

Sec. 9 Notice of farm marketing quota. Written notice of the farm acreage allotment and normal yield and farm marketing quota established for a farm shall be mailed or delivered to the operator of the farm or other producer on the farm. Notice given pursuant to this section shall constitute notice to each producer having an interest in the 1942 peanut crop produced on the farm. Each notice shall contain a brief statement of the procedure whereby application for a review of the farm marketing quota may be had in accordance with section 363 of the Act.

Sec. 10 Review of quotas. (a) Right to review by review committee. Any producer who is dissatisfied with the farm acreage

allotment, normal yield, or the farm marketing quota, or other determination for his farm in connection with marketing quotas, may, within 15 calendar days after notice thereof was mailed or delivered to him, apply in writing for a review by a review committee of such acreage allotment, normal yield, farm marketing quota, or other determination in connection therewith. Unless application for review is made within such period, the acreage allotment, the normal yield, the farm marketing quota, or the determination, as the case may be, shall be final as to the producers on the farm. Application for review and the review committee proceedings shall be in accordance with the review regulations (38-AAA-2) as issued and revised by the Secretary.

(b) Court review. If the producer is dissatisfied with the determination of the review committee, he may, within 15 days after notice of such determination is mailed to him by registered mail, institute proceedings against the review committee to have the determination of the review committee reviewed by a court in accordance with section 365 of the Act.

Sec. 11 Successors-in-interest. Any person who succeeds in whole or in part to the interest of a producer in a farm, or in the peanuts produced thereon, shall, to the same extent as his predecessor, be entitled to all the rights and privileges incident to the marketing quota established for the farm and be subject to the same restrictions on the marketing of peanuts.

Sec. 12 Marketing quotas not transferable. The farm marketing quota may not be assigned or otherwise transferred in whole or in part to any other farm and no peanuts shall be marketed under the quota for any farm other than peanuts actually produced on the farm.

### PART III. IDENTIFICATION AND MEASUREMENT OF FARMS

Sec. 13. Identification of farms. Each farm as operated for the 1942 crop of peanuts shall be identified by a farm serial number, assigned by the county committee.

Sec. 14 Measurement of farms. The county committee shall provide for measuring each peanut farm in the county in accordance with the procedure approved for use by the Agricultural Adjustment Agency.

### PART IV. MARKETING CARDS

Sec. 15 Issuance of marketing cards. (a) Farms to receive marketing cards. One or more marketing cards (form PN-611) shall be issued for each farm from which peanuts of the 1942 crop will be marketed regardless of whether a peanut acreage allotment has been determined for the farm for 1942.

(b) Persons eligible to receive marketing cards. A marketing card shall be issued to the operator of the farm and, if the county committee

finds it will serve a useful purpose, to other producers on the farm.

(c) Authorized quota sales to be shown on the card. Each marketing card issued for a farm shall show a number of pounds of peanuts which may be marketed thereunder as authorized quota sales. The amount of such peanuts shall be determined as follows:

(1) If only one marketing card is issued for the farm, the authorized quota sales shall be -

- a. For a farm on which the acreage of peanuts picked or threshed is one acre or less, the acreage of peanuts on the farm times the estimated yield per acre determined for the farm by the county committee or the actual yield per acre for the farm, if known.
- b. For a farm for which a peanut acreage allotment has been established, other than a publicly-owned experiment station, the amount of the farm marketing quota.
- c. For a publicly-owned experiment station farm, the larger of the amount determined pursuant to b above or the amount obtained by multiplying the acreage of peanuts grown for experimental purposes only by the estimated yield per acre determined for the farm by the county committee or the actual yield per acre for the farm, if known.
- d. For any other farm, no amount of peanuts to be marketed as quota sales shall be shown.

(2) Where more than one marketing card is issued for the farm, the sum of the number of pounds of peanuts to be shown on the several cards as authorized quota sales shall not exceed the amount which would be shown if only one marketing card were issued for the farm under paragraph (1) above. The amount of peanuts to be shown as authorized quota sales on a marketing card issued to any producer other than the operator shall be such producer's share of the amount which would be shown if only one marketing card were issued for the farm under paragraph (1) above. The shares of the producers shall be determined by the county committee in accordance with the following:

- a. Upon the basis of an agreement signed by the several producers on the farm, setting forth their respective shares (either in pounds or percentages) in the amount of peanuts which may be marketed from the farm as quota peanuts. Such agreement shall not be acceptable if the share of the quota claimed by any

producer exceeds the result obtained by multiplying the larger of the normal yield or the actual yield, for the farm, by his share of the acreage of peanuts.

- b. In the event the producers fail or refuse to submit an acceptable agreement, the shares of the respective producers shall be determined by the county committee in accordance with one of the following:
- (i) Evidence presented by the producers tending to show an understanding as to a division of the peanut acreage allotment or farm marketing quota, taking into account, among other pertinent factors, the purpose for which seed peanuts were purchased by the several producers, whether for planting peanuts for oil or for planting quota peanuts.
  - (ii) The past history of the production of peanuts on the farm, that is, the number of acres grown in prior years by the producers having an interest in the peanuts on the farm or the acreage shares of the same producers in the farm peanut acreage allotment for the preceding year.
  - (iii) The proportionate shares of the several producers in the acreage of peanuts planted in 1942, excluding from each producer's share of the acreage planted the number of acres which the committee finds, from evidence presented to it, will be hogged off or harvested for hay.

(d) Issuance of marketing cards. The county committee shall designate one person employed in its office as issuing officer to issue and sign marketing cards for farms in the county, but such persons may, subject to the approval of the committee, designate not more than three persons in the office of the county committee to sign his name in issuing marketing cards, provided that any person designated by the issuing officer shall place his initials immediately beneath the name of the issuing officer as written by him on the card. The issuing officer shall cause to be entered on each marketing card the number of pounds of authorized quota sales and on the summary of memoranda of sales and each memorandum of sale contained therein (1) the farm serial number and (2) the name and address of the county association.

Sec. 16 Invalid marketing cards. (a) Cards which are invalid. A marketing card shall be invalid under any of the following conditions:

- (1) If it is not issued in the form and in the manner prescribed.
- (2) If it is lost, destroyed, or stolen, mutilated, or becomes illegible.
- (3) If any entry thereon or on the summary of memoranda of

sales has been erased or has been altered and has not been properly initialed, in the case of the marketing card, by the issuing officer, or, in the case of the summary of memoranda of sales, by the buyer making such erasure or alteration.

(4) If the summary of memoranda of sales has been detached therefrom.

(b) Return of invalid cards and the replacement thereof. Any marketing card which is invalid shall be returned to the office of the issuing officer by the producer or person having possession of the card. Upon the return of the card the issuing officer shall, upon request, issue and deliver a valid card in accordance with the provisions of section 15. In case any marketing card is lost, destroyed, or stolen, the producer to whom the card was issued or any other person having knowledge of such loss, destruction, or theft shall give written notice to the county office from which the card was issued. If the county committee, on the basis of its investigation, finds that such marketing card was in fact lost, destroyed, or stolen, it shall cancel such marketing card by giving written notice to the producer to whom the card was issued (and to all buyers who serve the county or vicinity, if it was lost or stolen), and if it finds that there has been no collusion or connivance on the part of the producer to whom the card was issued in connection with such loss, destruction, or theft, the issuing officer shall, upon request of the producer, issue a valid card. A marketing card issued under this section shall have entered thereon as authorized quota sales the amount which should have been shown on the marketing card which is replaced less the amount of peanuts determined to have been marketed as quota peanuts before such replaced card was lost, destroyed, or stolen. Otherwise, the marketing card shall be prepared and issued as provided in section 15.

(c) Card is erroneously issued. Any marketing card erroneously issued shall, immediately upon discovery of the error, be canceled by the county committee. The producer to whom such card is issued, if such card was delivered, shall be notified in writing that the card is invalid and of no effect and that it shall be returned. Upon return of such card, another card may be issued as provided in subsection (b) of this section. In the event that the erroneously issued marketing card is not returned promptly, the county committee shall notify all buyers who serve the county, or the vicinity, that the marketing card is canceled.

Sec. 17 Report of possible misuse of marketing card. Any person having information which causes him to believe that any marketing card is being, has been or is likely to be used in identifying peanuts produced on a farm other than the farm for which it was issued, or that peanuts are being marketed from any farm without the use of a marketing card, shall report such information immediately to the county or State office.

## PART V. IDENTIFICATION OF PEANUTS

Sec. 18 Identification of peanuts. (a) Time and manner of identification. Each marketing of peanuts from the crop produced on each farm shall be identified by a valid memorandum of sale from a valid marketing card issued to the producer on the farm. The marketing card shall be presented to the buyer at the time of each marketing of peanuts from the farm by the producer on the farm to whom the marketing card was issued or his representative. Each memorandum of sale shall be executed to show, on the basis of information shown on the marketing card, the amount of peanuts identified thereby which are (1) marketed as quota peanuts; (2) marketed as excess peanuts to a designated agency or a sub-agent thereof for oil; and (3) marketed as excess peanuts subject to the penalty of 3 cents per pound. A memorandum of sale shall be valid only when presented with the marketing card and only when all entries required thereon and on the marketing card have been made correctly. The marketing of any peanuts not separated from the vines at the time of such marketing nevertheless shall be identified as provided in these regulations and the amount of peanuts marketed shall be the estimated or known weight of the peanuts exclusive of the weight of the vines. If shelled peanuts are marketed, the poundage thereof shall be converted to the weight of unshelled peanuts by multiplying the number of pounds of shelled peanuts by 1.5 and the result shall be the number of pounds considered as marketed under these regulations.

(b) Extent to which peanuts are identified as quota peanuts and as excess peanuts. The amount of peanuts identified by a valid memorandum of sale from a valid marketing card as quota peanuts and as excess peanuts shall be determined in accordance with the following rules:

(1) If no peanuts are authorized to be marketed under the marketing card as quota sales, the entire amount of each lot of peanuts marketed shall be identified as excess peanuts.

(2) If peanuts are authorized to be marketed under the marketing card as quota sales, the quantity of peanuts which may be identified and marketed as quota peanuts shall not exceed the number of pounds authorized to be marketed as quota sales, as shown on the marketing card, less the total number of pounds of peanuts previously marketed as quota sales and recorded on the summary of memoranda of sales contained in the marketing card. All other peanuts marketed shall be identified as excess peanuts. Any peanuts which are not identified by a valid memorandum of sale from a valid marketing card shall be identified as excess peanuts by a form PN-613 executed by the buyer and the producer.

(c) Excess peanuts subject to penalty. The marketing of any peanuts which are identified in accordance with this section as excess peanuts shall, if the peanuts are marketed to a person other than a designated agency or sub-agent thereof, be subject to the penalty.

(d) Excess peanuts not subject to penalty. The marketing of any peanuts which are identified in accordance with this section as excess

peanuts shall not be subject to the penalty if delivered to and marketed through a designated agency or sub-agent thereof; provided the producer is paid for such peanuts the market value thereof for crushing for oil, as of the date of delivery, less the estimated cost of storing, handling, and selling such peanuts as determined by the Secretary.

(e) Peanuts not identified. All peanuts marketed by a producer which are not identified in accordance with these regulations shall be subject to penalty.

#### PART VI. PENALTY

Sec. 19 Penalties for marketing excess peanuts. (a) Amount of penalties and time when due. The rate of the penalty for the marketing of excess peanuts shall be 3 cents per pound, except that the collection and payment of the penalty will not be required if the peanuts are delivered to and marketed through a designated agency or sub-agent thereof as provided in section 18 (d). The penalty shall be due at the time the peanuts are marketed.

(b) Payment of penalties. The penalty shall be paid by the buyer acquiring the excess peanuts from the producer not later than one week after the date the peanuts were marketed to such buyer by remitting the amount thereof to the State office of the Agricultural Adjustment Agency. The buyer may collect the penalty by deducting the amount thereof from the purchase price paid the producer. If the buyer fails to collect the penalty, the buyer and the producer(s) having a share in the peanuts produced on the farm shall be jointly, and severally liable for the amount of the penalty.

(c) Form of remittance. The penalties shall be remitted to the State committee by check, draft, or money order drawn payable to the order of the Treasurer of the United States. All checks and drafts will be received subject to collection and payment at par.

Sec. 20 Deposit of funds. All funds received by any State office in connection with the marketing of peanuts shall be deposited to the credit of a special deposit account with the Treasurer of the United States in the name of the Chief Disbursing Officer of the Treasury Department (hereinafter referred to as "special deposit account").

Sec. 21. Refunds and transfers of money in excess of the penalty. As soon as practicable the county committee shall, for each farm for which penalties have been paid, determine (1) the total amount paid in excess of the penalties actually due with respect to marketings from the farm, if any; (2) the producers who bore the burden of the payment of the excess amount; and (3) the amount thereof due each such

producer as a refund. The county committee or its representative shall certify its findings to the State committee or the authorized official of the Agricultural Adjustment Agency, who shall review each case and cause to be certified for payment to the producer(s) the amount approved as a refund. The State committee shall cause to be scheduled for transfer from the special deposit account and covered into the general fund of the Treasury the amount of the penalties as finally determined.

Sec. 22 Quota peanuts marketed and identified as excess peanuts.

If any peanuts which are in fact quota peanuts are marketed and identified in accordance with these regulations as excess peanuts, when delivered to or marketed through a designated agency or sub-agent thereof, the county committee or its representative shall issue a certificate identifying such peanuts as quota peanuts. The designated agency shall pay to the producer in connection with such peanuts, upon the presentation of such certificate, an amount equivalent to that by which the prices for such quota peanuts approved by the Secretary exceeds the prices for excess peanuts for oil determined by the Secretary or his authorized representative, in effect on the date the peanuts were delivered to the agency. Any certificate issued pursuant to this section shall be void if not presented to a designated agency on or before June 16, 1943.

Sec. 23 Excess peanuts marketed and identified as quota peanuts. (a) Through or to a designated agency. If any peanuts which are in fact excess peanuts are marketed and identified in accordance with these regulations as quota peanuts, when delivered to or marketed through a designated agency or sub-agent thereof, the producer(s) on the farm shall, upon receipt of notice from the county committee of his correct marketing quota, refund to the designated agency, with respect to such peanuts, an amount equivalent to that by which the prices for quota peanuts approved by the Secretary exceed the prices for excess peanuts for oil determined by the Secretary or his authorized representative, in effect on the day such peanuts were so delivered and marketed. The county committee shall certify to the designated agency the amount of refund due and upon collection of the amount due shall transmit the check in payment thereof to the designated agency.

(b) Through or to a buyer other than a designated agency. If any peanuts which are in fact excess peanuts are marketed and identified in accordance with these regulations as quota peanuts, when delivered to or marketed through a buyer other than a designated agency, the producer(s) on the farm, upon establishing to the satisfaction of the county committee the type, grade, class, price received, and date of marketing of such peanuts may, in lieu of paying the penalty of 3 cents per pound, pay to the Treasurer of the United States through the office of the county committee or the office of the State committee, with respect to such peanuts, an amount equivalent to that by which the price received for such peanuts exceeds the price for excess peanuts for oil determined by the Secretary or his authorized representative, in effect on the date such peanuts were so delivered and marketed, had such peanuts been delivered to or marketed through

a designated agency as excess peanuts. If the producer fails to remit such amount within 60 calendar days after the date of a notice of penalty due, then the marketing of such peanuts will be subject to the penalty, which shall be paid by the producer.

#### PART VII. RECORDS AND REPORTS

Sec. 24 Necessity for records and reports. The Secretary hereby finds that the records and reports required by these regulations are necessary to enable him to carry out with respect to peanuts the provisions of Title III of the Act.

Sec. 25 Records to be kept and reports to be submitted by buyers. (a) Record of peanuts acquired from producers. Each person acquiring peanuts from any producer shall keep as a part of or in addition to the records maintained by him in the conduct of his business a record which will show, with respect to each lot of peanuts marketed to or through him by a producer, the following information:

- (1) The name of the producer marketing the peanuts from the farm on which the peanuts were produced.
- (2) The serial number of the memorandum of sale or the serial number of the report and penalty receipt for peanuts not identified by a marketing card.
- (3) The date of the marketing.
- (4) The number of pounds of peanuts.
- (5) The quantity of peanuts subject to penalty and the amount of the penalty, if any.
- (6) If the buyer is a designated agent or sub-agent thereof, the quantity of peanuts received for crushing for oil, if any.

(b) Reports in connection with peanuts identified by a memorandum of sale. The buyer of peanuts which are identified by a valid memorandum of sale from a marketing card, as provided in section 18, shall make a report in connection with the transaction by executing the summary of memoranda of sales and a memorandum of sale contained in the marketing card by entering thereon information to show (1) the quantity of peanuts identified thereby as quota peanuts, (2) the quantity of excess peanuts, if any, identified as subject to penalty and the amount of penalty, (3) in the case of a buyer who is a designated agency or sub-agent thereof, the quantity of excess peanuts acquired for crushing for oil, (4) the buyer's reference number, which shall be the number of the check or draft given the producer in payment for the peanuts, or if the payment is made in cash or by credit on account, the word "Cash" or "Account," as the case may be, (5) the name and address of the buyer,

and (6) the date of the transaction. The memorandum of sale, as executed, but not the summary of memoranda of sales, shall be detached from the marketing card by the buyer and disposed of as provided in subsection (d) of this section.

(c) Reports in connection with peanuts not identified by a marketing card. The buyer of peanuts which are not identified at the time of marketing by a valid memorandum of sale from a marketing card shall, with respect to each lot of peanuts acquired from any producer, make a report on form PN-613. In addition thereto, the buyer who is not a designated agency or sub-agent thereof shall, within 30 calendar days, make a report with respect to each lot of peanuts which was not identified at the time of marketing by a valid memorandum of sale from a marketing card by executing the summary of memoranda of sales and a memorandum of sale contained in a marketing card in the manner prescribed in subsection (b) of this section. The report on form PN-613 shall show the following information:

- (1) The name and address of the operator of the farm on which the peanuts were produced.
- (2) The names of the State and county in which the peanuts were produced.
- (3) The serial number of the farm on which the peanuts were produced.
- (4) The number of pounds of peanuts marketed in the particular transaction.
- (5) The amount of the penalty collected.
- (6) The date of the transaction and the buyer's reference number.

The report shall be executed in triplicate and shall be signed by the buyer and the person selling the peanuts. One copy shall be given to the producer, one copy shall be retained by the buyer, and the State office copy shall be handled as provided in subsection (d) of this section.

(d) Time and manner of submitting reports. The report of the buyer (memorandum of sale, as provided in subsections (b) and (c), and State office copy of PN-613, as provided in subsection (c)) shall be submitted not later than one week following the date of the transaction covered by the report. The reports shall be mailed or delivered to the State committee (for example, "State Committee, Agricultural Adjustment Agency, Auburn, Alabama") of the State in which the office of the buyer is located. If the office of any buyer is not located in one of the following States, the buyer shall make his report to the State office of the State listed

below which is nearest to his office.

<u>State</u>	<u>Address of State Office</u>
Alabama	Auburn
Arkansas	421-1/2 West Capitol Avenue Little Rock
California	P. O. Box 247, Berkeley
Florida	Segale Building, Gainesville
Georgia	Athens
Louisiana	University
Mississippi	Tower Building, Jackson
New Mexico	State College
North Carolina	State College Station, Raleigh
Oklahoma	Stillwater
South Carolina	Masonic Building, Columbia
Tennessee	2321 W. End Avenue, Nashville
Texas	College Station
Virginia	Blacksburg

Sec. 26 Reports to be submitted by picker or thresher operators. (a) Reports in connection with peanuts picked or threshed. Each person who operates a peanut picker or thresher shall make a report on form PN-609 of the quantity of peanuts picked and threshed by him for each farm. Each report on form PN-609 shall be signed by the producer or his representative and the operator of the peanut picker or thresher or his representative and shall show the following:

(1) The name of the producer for whom the peanuts are picked or threshed and the farm serial number of the farm on which the peanuts were produced.

(2) The number of pounds of peanuts picked or threshed.

(3) The number of pounds of peanuts accepted in payment for the picking or threshing charges (toll peanuts), if any.

(4) The serial number of the memorandum of sale executed to cover peanuts accepted (as toll) in payment for the picking or threshing charges.

Sec. 27 Reports to be submitted by persons who accept toll peanuts. Any person who accepts peanuts as toll for any service performed shall keep the same records and make the same reports which are required to be kept by buyers pursuant to section 25.

Sec. 28 Records to be kept by persons acquiring farmer's stock peanuts from persons other than producers. Any person who buys or acquires farmer's stock peanuts (that is, peanuts picked or threshed and unshelled and in the condition in which such peanuts ordinarily are marketed by farmers) from a person other than the

producer of the peanuts shall keep a record of the acquisition of the peanuts. The record shall show the following:

- (1) The name and address of each person from whom the farmer's stock peanuts were acquired.
- (2) The date the peanuts were acquired.
- (3) The number of pounds of peanuts acquired from each person.

Sec. 29 Records of the disposition of peanuts and peanuts on hand. Each person who acquires farmer's stock peanuts from producers or from persons other than producers shall keep a record of the disposition made of such peanuts, which record shall show the following:

- (1) The number of pounds of such peanuts which are processed.
- (2) The number of pounds of such peanuts disposed of by marketing to other persons without being processed, the name and address of the person to whom marketed, and the date of marketing.
- (3) The number of pounds of such peanuts on hand.

Sec. 30 Special reports. Any person required to keep the records prescribed in section 25, 28, or 29 shall, upon the request in writing of the county committee or the State committee, submit a special report containing the information required to be shown on the records required to be kept by such person pursuant to section 25, 28, or 29 of these regulations. The county committee or the State committee may, in its request for a special report, specify that the report contain such information only with respect to peanuts acquired from or disposed of to a particular person or persons or only with respect to peanuts acquired or disposed of during a specified period. The report shall be submitted to the committee making the request within 15 calendar days after the request therefor is deposited in the United States mails.

Sec. 31 Records to be kept by warehousemen, processors, and others. Each warehouseman, processor, common carrier, broker, dealer, agent marketing peanuts for a producer or buyer or dealer, peanut growers' cooperative association, person engaged in the business of cleaning, shelling, crushing, or salting of peanuts or manufacture of peanut products, or other person who buys, handles, or deals in peanuts or peanut products, for or on behalf of the producers or otherwise, shall keep a record of each transaction or dealing showing the name and address of the person from whom the peanuts were acquired or received, the amount of peanuts included in such transactions, and the disposition made of any of such peanuts and, if disposed of to another, the name and address of such person and the amount of peanuts disposed of to him.

Sec. 32 Penalty for failure or refusal to keep records or make reports. Any person required to keep the records or make the reports

specified in section 25, 26, 27, 28, 29, 30, or 31 and who fails to keep any such record or make any such report or who makes any false report or keeps any false record shall, as provided in section 373(a) of the Act, be deemed guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not more than \$500 for each such offense.

Sec. 33 Records to be kept and reports to be submitted by producers. (a) Record of peanuts marketed and identified by memorandum of sale. Each producer to whom a marketing card is issued shall keep a record of the marketing of all peanuts of the 1942 crop which when marketed by him are identified by a memorandum of sale from the marketing card. Such record shall be maintained on the summary of the memoranda of sales contained in the marketing card and shall show the following information with respect to each marketing made by him of peanuts produced on the farm:

- (1) The name and address of the buyer.
  - (2) The number of pounds identified and marketed as quota peanuts.
  - (3) The number of pounds of peanuts identified as excess peanuts and marketed for oil to a designated agency or sub-agent thereof.
  - (4) The number of pounds of peanuts identified as excess peanuts and marketed subject to penalty and the amount of the penalty.
- (b) Record of peanuts marketed and not identified. Each producer who markets peanuts of the 1942 crop, which when marketed are not identified by a memorandum of sale, shall keep a record of the transaction by retaining a copy of the form PN-613 executed as provided in subsection (c) of section 25.
- (c) Reports of disposition of peanuts. The operator of each farm shall make a report of the disposition of peanuts produced on the farm within 30 calendar days after the marketing of peanuts from the farm is completed or by March 31, 1943, whichever is the earlier. The report shall show the following:

- (1) The name and address of the buyer of each lot of peanuts marketed from the farm.
- (2) The number of pounds of peanuts identified and marketed as quota peanuts.
- (3) The number of pounds of peanuts identified as excess, or not identified by a memorandum of sale, and marketed to a designated agency or sub-agent thereof for oil.

(4) The number of pounds of peanuts identified as excess, or not identified by a memorandum of sale, and marketed subject to penalty and the amount of the penalty.

(5) The number of pounds of peanuts which were not marketed from the farm and the location of such peanuts.

The report may be made by returning to the office of the county committee the marketing card(s) issued for the farm with the "Producer's Report of Disposition of Peanuts," contained in the card, properly executed, together with the copies of form(s) PN-613 covering any peanuts which were marketed without identification. Each producer on the farm who markets peanuts shall, at the time the report required by this subsection is to be made, surrender to the farm operator or to the county committee the marketing card issued to him, if any, and all copies of form(s) PN-613, showing the above information with respect to peanuts produced by him which were marketed by him and which were otherwise disposed of or retained by him. If such producer's marketing card and copies of PN-613 are surrendered to the county committee either by the producer or by the operator, they shall be considered as a part of the operator's report.

(d) Additional reports. The county committee shall require, and the operator or producer shall furnish, such additional reports as may be necessary to obtain complete information with respect to the marketing of peanuts from the farm and with respect to peanuts produced on the farm but not marketed therefrom.

Sec. 34 Length of time records to be kept and availability of records. All records and copies of the reports required to be kept or made pursuant to those regulations, except the records required to be kept by producers pursuant to section 33, shall be kept by the person required to keep such records or make such reports until June 30, 1944, or for such longer period as may be requested in writing by the State committee. All such records and any books, papers, records, accounts, correspondence, contracts, documents, or memoranda kept by or within the control of any person required by these regulations to keep records of transactions relating to the production, transportation, processing, or marketing of peanuts subject to these regulations shall be made available for examination and inspection by the Secretary or by his authorized representative, and by members of the State or county committees or their officers or employees, for the purpose of ascertaining the correctness of any report made or any record kept pursuant to these regulations, or of obtaining information required to be furnished in any report pursuant to these regulations, or of obtaining information relative to the acquisition or disposition made by any producer, buyer, agent, or designated agency of peanuts subject to these regulations.

#### PART VIII. MISCELLANEOUS

Sec. 35 Penalty for false identification or failure to account for the disposition of any peanuts. If, in the course of marketing, any

peanuts produced on one farm are falsely identified by a representation that such peanuts were produced on another farm, or if there is a failure to make a report of the disposition of peanuts available for marketing from any farm, each person participating in the false identification of the peanuts or failing to make a report of the disposition of such peanuts, as required by these regulations, shall be subject to a penalty of \$25 for each acre, or fraction thereof, of peanuts in excess of the farm acreage allotment for the farm on which such peanuts were produced, and this penalty shall be in addition to any other penalty due. The term "peanuts available for marketing from any farm" as used in this section means the entire quantity of peanuts picked or threshed from the 1942 crop produced on the farm.

Sec. 36 Data to be kept confidential. Except as otherwise provided herein, all data reported to or acquired pursuant to the provisions of these regulations shall be kept confidential by all officers and employees of the United States Department of Agriculture and by all members, officers, and employees of State and county committees and only such data so reported or acquired as the Secretary deems relevant shall be disclosed by them and then only in a suit or administrative hearing under Title III of the Act.

Sec. 37 Enforcement. It shall be the duty of the county committee to report in writing to the State committee each case of failure or refusal to make any report or keep any record as required by these regulations, or to pay or remit any penalty incurred under these regulations, or any other violation of these regulations. It shall be the duty of the State committee to report in writing to the United States Department of Agriculture each such violation with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to enforce the provisions of Title III of the Act.

Sec. 38 Inspection of Unmarketed peanuts. If the State committee or county committee has reason to believe that any peanuts reported by any operator or producer to be unmarketed have in fact been marketed, or if the committee has reason to believe that the records cannot be properly completed otherwise, the committee shall provide for the inspection of the peanuts or of documents evidencing title thereto, by one or more of its members or one of its officers or employees or any person duly designated as a representative of the Secretary. If, upon the basis of such inspection, the committee finds that all or part of the peanuts reported as unmarketed are not in the actual or constructive possession of the operator or other producer, or if the operator or producer fails or refuses to permit the inspection of the peanuts or of documents evidencing title thereto, the quantity of peanuts which the committee finds the producer has not reported as having been marketed, less the amount which the committee finds to be in the actual or constructive possession of such operator or producer, shall be taken to have been marketed.

(S E A L)

Done at Washington, D. C., this  
1st day of August, 1942  
Witness my hand and the seal of  
the Department of Agriculture.

/s/ Grover B. Hill  
Acting Secretary of Agriculture

